West Footscray Economic Assessment for the Neighbourhood Plan

April 2018

Prepared by Tim Nott

for Maribyrnong City Council

Report Data

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EXECUTIVE SUMMARY

Maribyrnong City Council is preparing a Neighbourhood Plan for the West Footscray area. The Neighbourhood Plan is being designed to respond to changing demands for land and to optimise the development outcomes for the community. As part of this process, Council has sought external advice about the drivers of the local economy and the constraints and opportunities for development in the area.

This present report has been prepared by economic geographer Tim Nott as a contribution to the Neighbourhood Plan. Following Council's brief, it discusses economic drivers of change, particularly as they affect the future of several key sites in the area; and provides a framework for deciding whether and how these sites should be rezoned to accommodate new uses. In addition, the report looks at the residential interfaces with local industrial areas and how these may be improved.

Key Findings

1. The evolution of the information economy – the global flow of information that drives the creation of value – has made the CBD the key node in the Victorian economy. Job growth and policies to make the CBD attractive for investment and talent in a global context has made those areas within easy commuting distance relatively well sought after as residential destinations, leading to gentrification of inner city housing areas. The wave of gentrification has reached West Footscray in the last five years or so, as indicated by the accelerated growth of residential property prices.

2. The stock of jobs in West Footscray is weighted towards industrial occupations as a result of the significant industrial precincts present. Nevertheless, there are also retailing and health sector jobs because of the presence of the Footscray campus of the Western Hospital and a variety of small activity centres, including the West Footscray Neighbourhood Activity Centre (NAC). On the other hand, the share of local residents engaged in industrial activities has declined significantly as the area has gentrified. The skills of local residents are becoming more aligned with jobs in the inner city.

3. Commonwealth Government job projections for the next five years suggest that Melbourne's West will experience the largest job growth of any Victorian region, mainly associated with population growth on the urban fringe. Throughout Melbourne there is expected to be a continued strong growth in service sector employment, especially health, professional services and education, and a continued decline in manufacturing.

4. Projections, however, are unlikely to capture the whole story. There are other trends emerging that will have profound impacts on the scale and location of employment. Automation, for example, has the potential to replace large swathes of white collar jobs in the inner city as well as ongoing job reductions in industrial areas. The growth of the sharing economy and the need to generate more socially and environmentally sustainable forms of living and working, as well as uncertainty about jobs in the inner city, will likely put more emphasis on flexible local workplaces. Space for employment needs to be found despite the growing financial incentives to maximise housing provision as property prices in the study area outstrip the Melbourne average.

5. West Footscray Neighbourhood Centre is an important service and employment node for the local and regional community. It serves its neighbourhood for food, groceries and convenience items but also serves South Asian communities in the wider region through a concentration of culturally specific restaurants, grocery stores and clothing outlets. The neighbourhood centre has a local catchment of 9,400 people which is expected to grow to 11,400 by 2041. This growth is forecast here to generate demand for an additional 2,200 sqm of retail and commercial space in the centre over the period, requiring a notional 4,900 sqm of land. Demand could be more if, for example, a higher share of retail spending by residents can be achieved or if more non-retail activity can be attracted.

6. The forecast retail and commercial expansion could be accommodated within the existing activity centre boundaries with development of existing vacant land parcels and through redevelopment of existing land uses such as housing and shops to create more intensive development. Some of these parcels would need to be rezoned to accommodate activity centre expansion, even though they are within the activity centre boundary.

7. Bulky goods development is also a feature of the study area. The largest precinct is on Barkly Street, with its collection of car yards. The long-term future of these activities is uncertain. The advent of electric, self-drive vehicles may force changes to the way cars are owned and serviced. Over coming decades, more vehicles may be leased or used on demand, for example. If the era of individual ownership of cars is coming to a close, then fewer sales outlets will be required and repair services may be centralised into less high-profile sites. Nevertheless, there may be other employment uses that will find these sites amenable, including car rentals as well as flexible employment spaces that can accommodate shops, offices, showrooms, small-scale wholesaling, co-working spaces, artisans, 3D printing workshops, education and training spaces, health services or indoor recreation, for example.

8. The industrial precincts of West Footscray form part of the Western State Significant Industrial Precinct (WSSIP), one of five precincts expected by State Government to accommodate most industrial development for the foreseeable future. These precincts are generally protected in State and local planning policy in order to preserve opportunities for industrial investment and employment. The West Footscray precincts form the eastern edge of the WSSIP, closest to the CBD and to the docks. They are largely fully occupied, with a wide variety of manufacturing, wholesale, transport and storage businesses, with only a few vacant sites and vacant buildings.

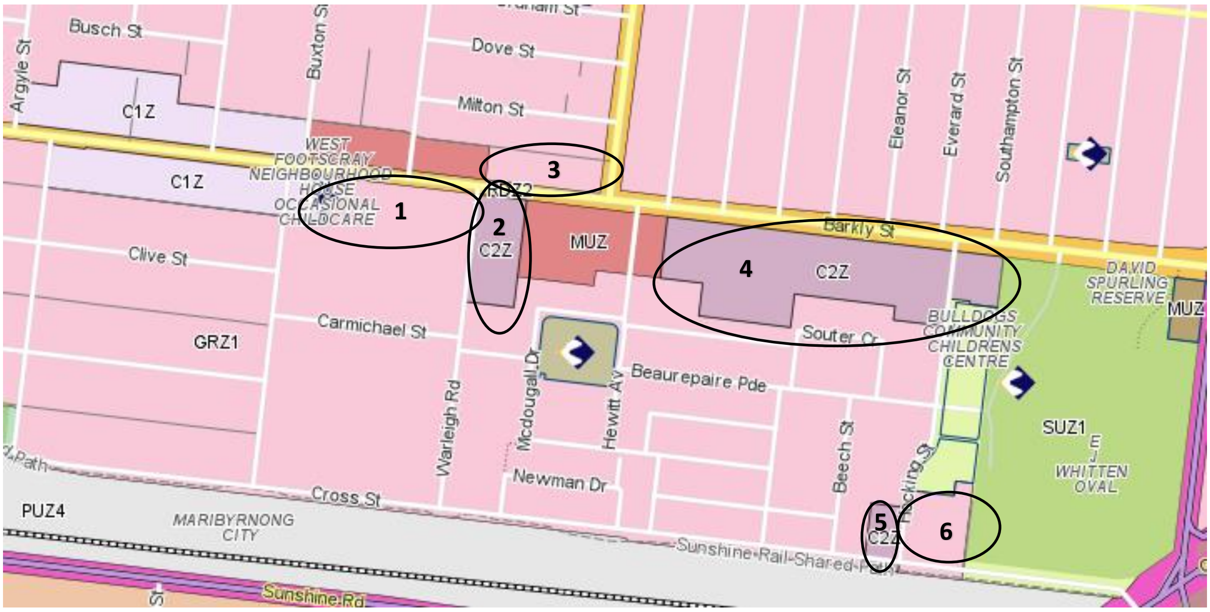
9. Broad assessment for this report suggests that the industrial land demand over the forecast period (to 2041) for activities presently allowed on industrial land is assumed to be equal to the area of land available; that is, all the existing industrial land in the existing precincts will be required. However, there is likely to be a change in the form of activities, with fewer land-extensive manufacturing operations and more retail, storage and small office and office/warehouse activities. There is unlikely to be pressure for an expansion of industrial land.

10. Work on Maribyrnong's Draft Housing Strategy, 2018, identifies the likely demand and potential supply of housing within the municipality. The work shows that satisfying demand

is likely to rely heavily on intensive housing development in activity centres and through the redevelopment of key sites. Within the West Footscray study area, nearly all housing development to accommodate population growth will be in the form of medium and high-density housing, that is, townhouses and apartments.

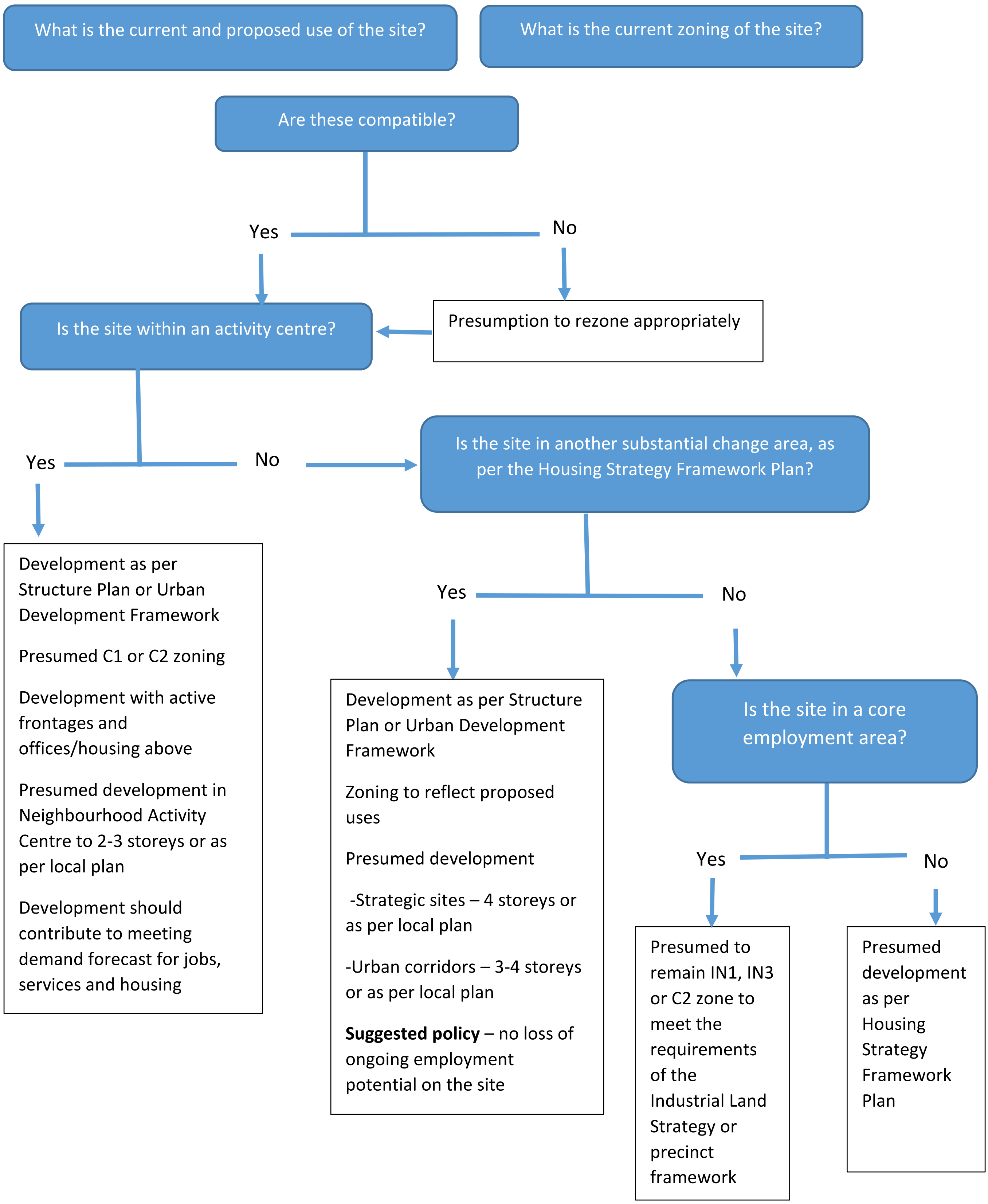
11. Council has identified six key sites within the study area that are likely to be subject to pressures for change or use and/or zoning. These sites are all, broadly, in the Barkly Street corridor and are shown in the following plan.

Key sites in West Footscray



12. As property owners and development proponents come to Council with requests for rezonings and planning permits on key sites, Council decision-makers require a robust method for judging applications for change. The decision tree on the following page provides such a method and is based on the application of existing policy. This method has been applied to the six key sites in West Footscray and the results are presented in the table below. A fuller justification is provided in the main report (see section 6)

Site	Address	Current Zone	Recommended Zone	Comment
1	517 to 543 Barkly St	General Residential	Commercial 1	To encourage retail consolidation of the NAC
2	511 Barkly St	Commercial 2	Commercial 1	To facilitate activity centre development
3	496 to 514 Barkly St	General Residential	Commercial 1 and General Residential	In part to facilitate activity centre development with the remainder waiting for an appropriate development proposal
4	419 to 479 Barkly St	Commercial 2	Mixed Use	To facilitate housing with ground floor employment uses
5	8 Cross St	Commercial 2	Mixed Use or Residential Growth	To facilitate housing with ground floor employment uses
6	4-6 Cross St	General Residential	Mixed Use or Residential Growth	To facilitate housing with ground floor employment uses


What is the current and proposed use of the site?
What is the current zoning of the site?
Are these compatible?
Yes
No
Presumption to rezone appropriately
Is the site within an activity centre?
Yes
No
Development as per Structure Plan or Urban Development Framework
Presumed C1 or C2 zoning
Development with active frontages and offices/housing above
Presumed development in Neighbourhood Activity Centre to 2-3 storeys or as per local plan
Development should contribute to meeting demand forecast for jobs, services and housing
Is the site in another substantial change area, as per the Housing Strategy Framework Plan?
Yes
No
Development as per Structure Plan or Urban Development Framework
Zoning to reflect proposed uses
Presumed development
-Strategic sites – 4 storeys or as per local plan
-Urban corridors – 3-4 storeys or as per local plan
Suggested policy – no loss of ongoing employment potential on the site
Is the site in a core employment area?
Yes
No
Presumed to remain IN1, IN3 or C2 zone to meet the requirements of the Industrial Land Strategy or precinct framework
Presumed development as per Housing Strategy Framework Plan

13. The industrial precincts in West Footscray are set amongst residential precincts. The zoning of the industrial precincts has been adjusted such that the interfaces with residential areas are zoned IN3, intended for light industrial purposes with few off-site effects. Nevertheless, the scale and appearance of the nearby industrial buildings and the industrial traffic reduces the amenity of adjacent residents. The situation is made more difficult by the isolated nature of the residential areas and the apparent lack of local services. In particular, there is no significant food and grocery shopping within a reasonable walking distance and without having to cross the railway line or the major barrier of the Princes Highway (Geelong Road).

14. There are several approaches that may be taken to improve the amenity of residents in this area whilst retaining the Core Employment Precincts, including:

    - Improve residential interfaces
    - Encourage development of smaller scale workplaces including offices, retail outlets and recreational facilities which residents may use
    - Encourage any new developments in the precinct to provide service nodes that may be used by residents (cafés, corner stores etc)
    - Provide services within Council park assets such as a kiosk or coffee cart
    - Encourage development of grocery service and café within the existing Tottenham local activity centre on Sunshine Road

1 INTRODUCTION

1.1 This Report

Maribyrnong City Council, located in the inner west of Melbourne, is preparing a Neighbourhood Plan for the West Footscray area. The Neighbourhood Plan is being designed to respond to changing demands for land and to optimise the development outcomes for the community. As part of this process, Council has sought external advice about the drivers of the local economy and the constraints and opportunities for development in the area.

This present report has been prepared by economic geographer Tim Nott as a contribution to the Neighbourhood Plan. Following Council's brief, it looks at the activity centres in West Footscray and discusses the future of several key sites in the area that are subject to pressures for change, providing a framework for deciding whether and how these sites should be rezoned to accommodate new uses. In addition, the report looks at the residential interfaces with local industrial areas and how these may be improved.

1.2 West Footscray

The West Footscray neighbourhood is shown below.

Figure 1: West Footscray Neighbourhood

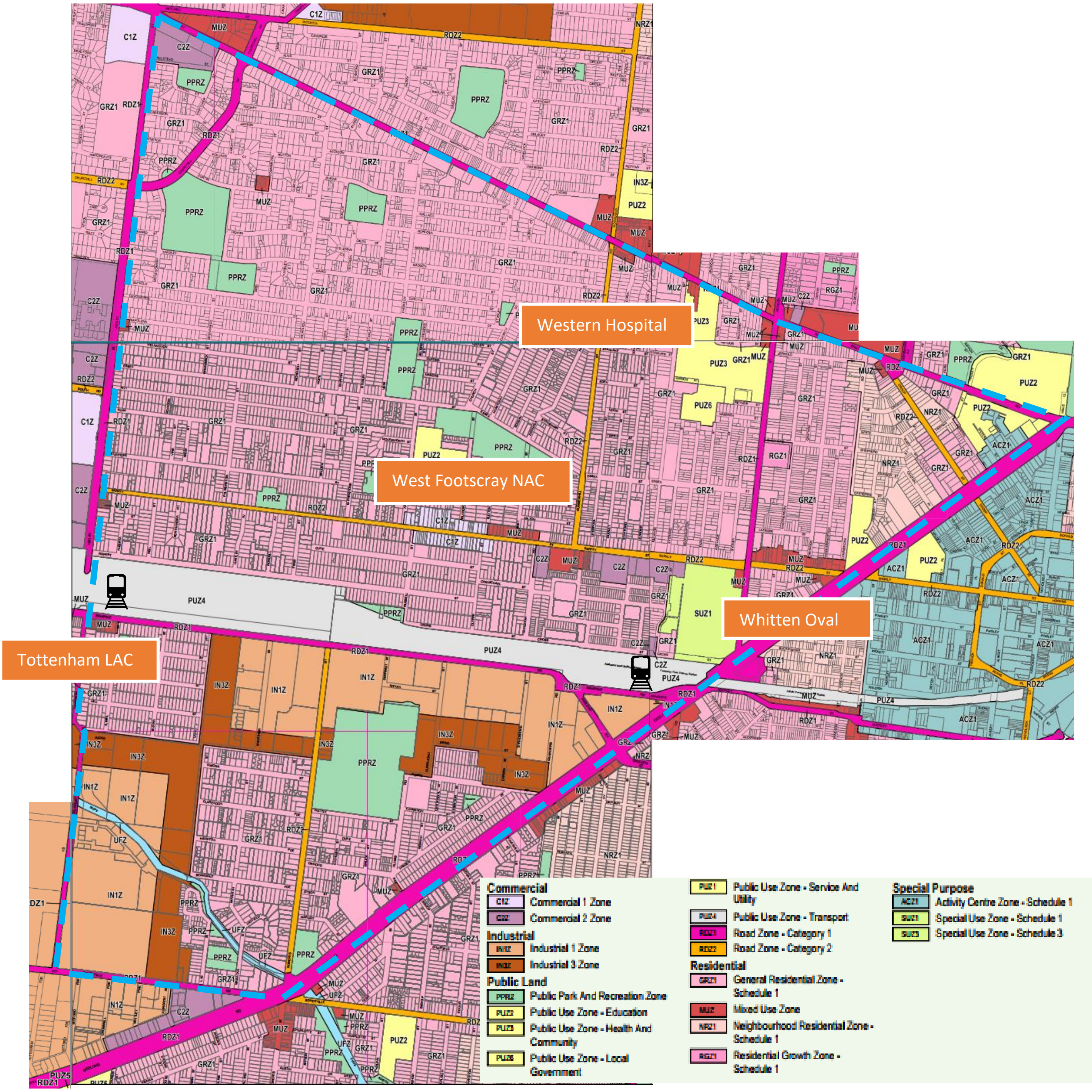
Source: Maribyrnong City Council

West Footscray is a neighbourhood with a broad mix of uses including extensive housing, activity centres, community and recreational infrastructure, industrial precincts and major roads and rail lines. Key features of the area include:

- West Footscray Neighbourhood Activity Centre (also called Barkly Village)
- Local centres at Sunshine Road and Ballarat Road
- Large format retail and wholesale activities on main roads
- Footscray campus of the Western Hospital
- Whitten Oval, home of the Western Bulldogs
- The eastern edge of the Western State Significant Industrial Precinct (WSSIP) – one of five main industrial precincts expected to accommodate most industrial development in Melbourne over coming decades
- West Footscray and Tottenham train stations on the Sunbury line, with this rail corridor also accommodating lines from western and northern Victoria
- Major roads including the Princes Highway (Geelong Road), Ballarat Road and Sunshine Road
- A series of reserves and open spaces including Hansen Reserve, Dobson Reserve and Stony Creek

The land-use zoning of the area reflects these various uses and is shown in the following figure.

Figure 2: West Footscray Land Use Zoning Plan

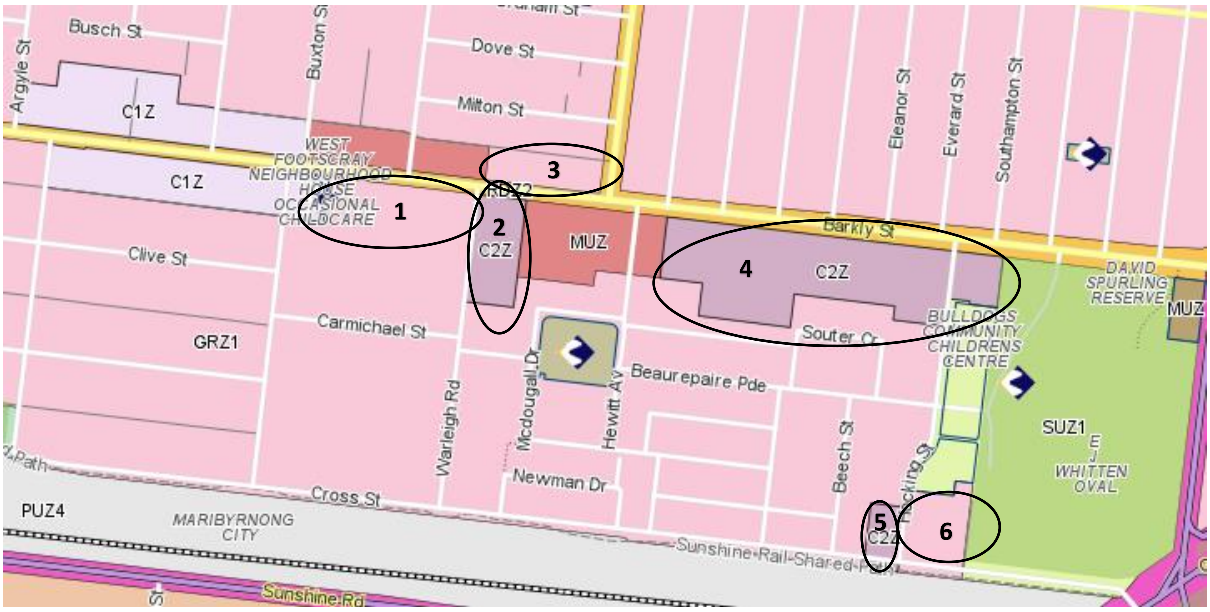


Source: Maribyrnong Planning Scheme

1.3 Key Sites

The relative demand for housing, commercial and industrial activity has been changing in West Footscray as elsewhere in Melbourne. This has put some pressure on certain parcels of land to change use. In addition, some sites are zoned inappropriately for their use. Council has identified six sites in the Barkly Street corridor which may be under pressure for change. As part of the economic assessment, Council requires a robust framework for identifying whether and how the zoning of these sites should change to accommodate new activities. The key sites are shown below.

Figure 3: Key sites in West Footscray



Source: Maribyrnong City Council

1.4 Study Method

The key purpose of this report is to establish the assessment framework for key sites. To this end, the report looks at:

- The ***external pressures*** for development that affect land in West Footscray, including broad economic trends and the local demand for retail and other activity centre purposes, industrial development and housing
- The ***policy environment*** that affects how sites such as these should be developed to meet community needs

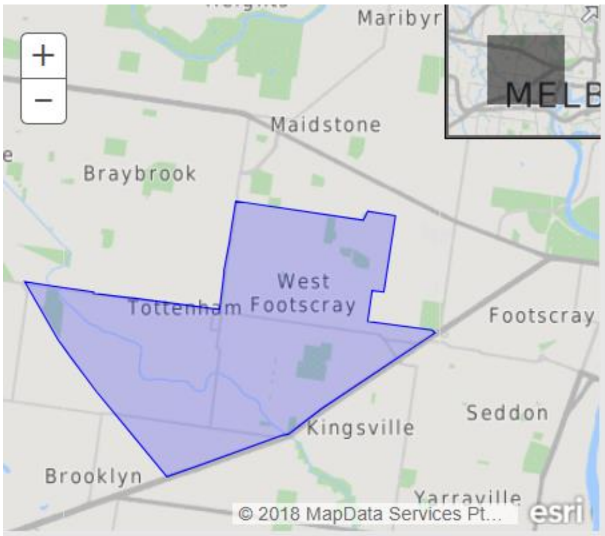
Internal pressures for development have been assessed through discussions with land owners and occupiers and these discussions have been reported separately to Council.

An ancillary purpose of the report is to look at how the service and physical environment of residential areas south of the Sunbury rail line can be improved. This report examines the scope for expansion of existing service areas such as the Tottenham Local Activity Centre (LAC), the potential for new small service centres, and the scope for improvements in the interfaces between residential and industrial areas.

1.5 Statistical Note

The West Footscray study area is noted in Figure 1. However, the boundaries of this study area are not the same as any of the available statistical areas such as suburbs or Statistical Area 2s used by the Australian Bureau of Statistics (ABS). Rather than attempt to recreate statistics for the study area, this report presents statistics for the original geographic entities and notes the differences where appropriate to assist the reader. The various statistical areas used in the report are shown below.

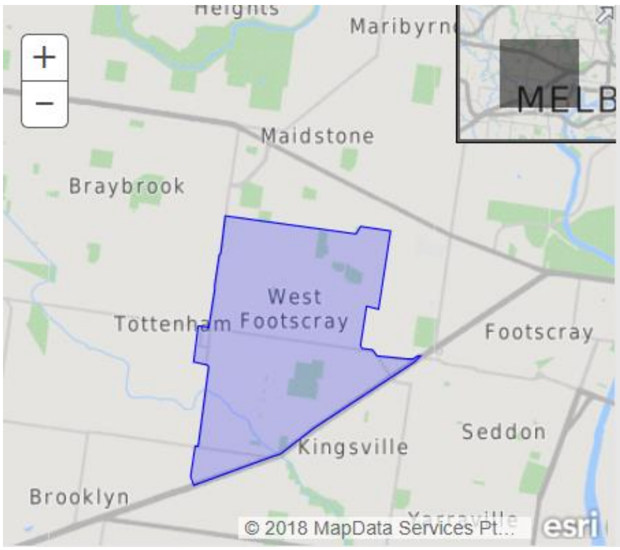
West Footscray – Tottenham Statistical Area 2 (SA2)



This area includes the Tottenham industrial precincts but excludes the area east of Summerhill and Warleigh Roads, and north of Suffolk Street. This excluded area includes the Ballarat Road corridor, the Whitten Oval, the Footscray Hospital precinct and four of the six key development sites identified by Council.

These boundaries are used in the Forecast .id population forecasts designated *West Footscray.*

West Footscray Suburb



This area is the same as the SA2 above but excludes the Tottenham industrial precinct.

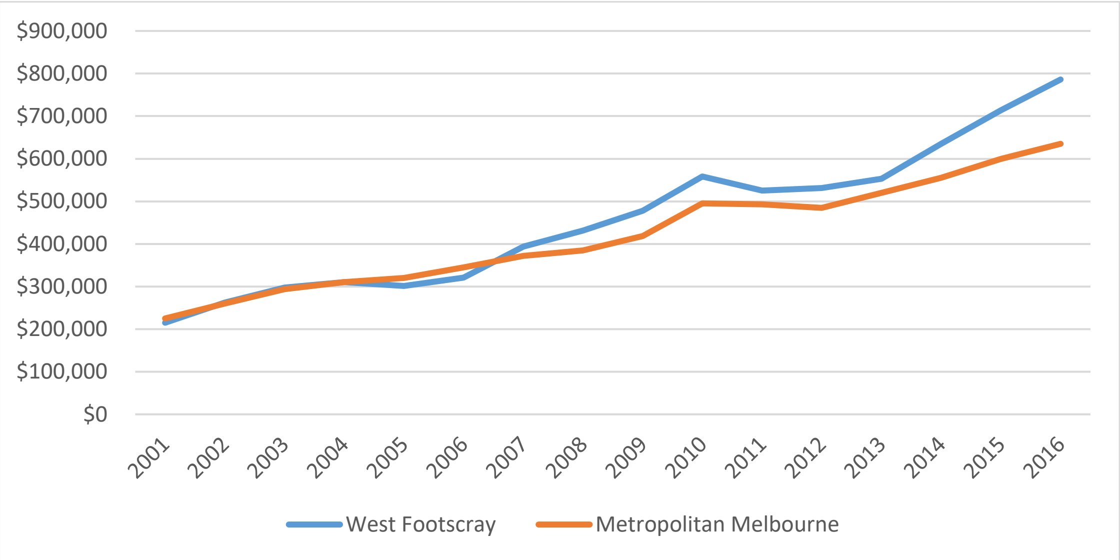
2 ECONOMIC OVERVIEW

The pressures on key sites will arise from the way general economic trends play out in the local context. This section looks at recent economic change in the area; at broad forecasts for future change; and at some of the key trends that will influence demand for local economic activities.

2.1 Recent Trends

The recent development of West Footscray has been affected by one change in particular, along with much of inner Melbourne. The evolution of the information economy – the global flow of information that drives the creation of value – has made the CBD the key node in the Victorian economy. The growth in importance of high end business services has driven strong job creation in the CBD and surrounds. Job growth and policies to make the CBD attractive for investment and talent in a global context has made those areas within easy commuting distance relatively well sought after as residential destinations. This means formerly inexpensive mixed-use suburbs that were built for Melbourne's early industries and their attendant workers are being transformed into domiciles for the affluent and aspirational workers of the knowledge economy. The wave of gentrification has reached West Footscray in the last five years or so. This is indicated to some extent by the residential property prices as shown in the figure below.

Figure 4: Median house prices, West Footscray (suburb) and Metropolitan Melbourne, 2001 to 2016



Source: Valuer-General Victoria, various dates

From this diagram, it appears that median house prices in West Footscray have begun to appreciate much more rapidly than those for Metropolitan Melbourne as a whole since around 2013. This has coincided with a rapid change in the skills and industries of the resident labour-force. That is, the share of the labour-force engaged in activities on industrial land – manufacturing, wholesaling and transport – has declined rapidly, and the share engaged in professional services, health and education has grown. This change is shown in Table 1.

Table 1: Change in the industry share, working residents, West Footscray SA2, 2006 to 2016

Industry	2006	2011	2016
Agriculture, Forestry and Fishing	0.3%	0.2%	0.3%
Mining	0.1%	0.1%	0.2%
Manufacturing	13.1%	10.1%	6.0%
Electricity, Gas, Water and Waste Services	0.6%	0.8%	1.0%
Construction	5.8%	5.1%	4.6%
Wholesale Trade	4.7%	3.8%	2.7%
Retail Trade	9.2%	9.3%	9.0%
Accommodation and Food Services	7.2%	7.2%	9.5%
Transport, Postal and Warehousing	7.1%	6.5%	5.8%
Information Media and Telecommunications	2.9%	3.2%	2.7%
Financial and Insurance Services	5.0%	4.6%	4.5%
Rental, Hiring and Real Estate Services	1.2%	1.2%	1.6%
Professional, Scientific and Technical Services	5.6%	8.2%	8.8%
Administrative and Support Services	5.2%	5.0%	4.4%
Public Administration and Safety	6.0%	6.9%	6.7%
Education and Training	7.0%	8.7%	9.4%
Health Care and Social Assistance	9.6%	10.0%	11.1%
Arts and Recreation Services	2.6%	3.2%	2.9%
Other Services	3.5%	3.0%	3.5%
Inadequately described/Not stated	3.4%	2.9%	5.3%
Total	100.0%	100.0%	100.0%

Source: ABS, Census of Population and Housing, 2016. Highlighted industries show those that have experienced significant decline (orange) or growth (blue) over the period.

The new residents are, in general, a younger labour-force many of whom have professional skills that are in demand in the central city and surrounds. This compares with older residents, a higher proportion of whom have jobs in industrial areas and in consumer services.

The local industrial structure, that is, the economic activities that residents have easy access to, has not changed as rapidly as the change in residents. The table below shows that the West Footscray SA2 remains strongly industrial, with manufacturing, wholesale trade, transport, postal and warehousing activities accounting for 51% of the jobs in 2016, compared with 17% of jobs in Greater Melbourne as a whole, and only 15% of working residents in West Footscray[1]. Jobs in Maribyrnong as a whole are more geared towards resident services. Retailing in particular accounts for a high proportion of local jobs, boosted by the presence of the super-regional Highpoint shopping centre as well as Footscray Central and the other major and neighbourhood activity centres. Education and health services are also well represented, boosted by the presence of Footscray hospital and its attendant services, and by the main campus of Victoria University. However, the share of business

[1] The reader will remember that the SA2 does exclude the hospital and the concentration of health services that are in the north east of the study area, as well as the car-yards on Barkly Street and the recreational activities at the Whitten Oval. Inclusion of these jobs would reduce the share of employment in industrial activities in the study area as a whole.

services – finance, professional services, administration etc – are generally lower than average for Melbourne as a whole.

Table 2: Jobs in West Footscray SA2, Maribyrnong LGA and Greater Melbourne, 2016

Industry	West Footscray SA2		Maribyrnong	Greater Melbourne
	No	%	%	%
Agriculture, forestry and fishing	43	0.9%	0.3%	0.6%
Mining	5	0.1%	0.1%	0.2%
Manufacturing	1,088	22.5%	7.3%	7.9%
Electricity, gas, water and waste services	18	0.4%	1.6%	1.0%
Construction	206	4.3%	4.1%	6.7%
Wholesale trade	329	6.8%	3.5%	3.6%
Retail trade	474	9.8%	15.7%	10.4%
Accommodation and food services	118	2.4%	6.8%	6.6%
Transport, postal and warehousing	1,046	21.6%	6.4%	5.0%
Information media and telecommunications	17	0.4%	1.2%	2.2%
Financial and insurance services	10	0.2%	1.7%	4.7%
Rental, hiring and real estate services	23	0.5%	1.5%	1.8%
Professional, scientific and technical services	217	4.5%	4.2%	9.3%
Administrative and support services	137	2.8%	2.3%	3.3%
Public administration and safety	128	2.6%	4.6%	5.2%
Education and training	125	2.6%	10.5%	8.8%
Health care and social assistance	148	3.1%	16.7%	12.1%
Arts and recreation services	68	1.4%	1.9%	2.1%
Other services	190	3.9%	4.5%	3.6%
Not stated	434	9.0%	5.4%	4.9%
Total	4,833	100.0%	100.0%	100.0%

Source: ABS, Census of Population and Housing, 2016

The recent trends in local development have generated a widening gap between the jobs which are available locally and the kinds of jobs taken by local residents. In the context of a much larger regional labour-market where people have access to jobs in the central city and across much of the metropolitan area this is not necessarily a problem in finding employment, although it does have adverse consequences for travel and other community costs. Other factors being equal, it would be preferable to have a better alignment of work-places and working residents, allowing more residents to work locally and to enjoy the benefits of the "20-minute city"[2].

[2] The 20 minute city is an aspiration outlined in Plan Melbourne (DTPLI, 2014) that would allow people to access most services and jobs in an area within 20 minutes of their homes. A radical interpretation of this aspiration would allow people to access jobs and services within a 20 minute walk.

2.2 Broad Employment Projection

Various entities have made forecasts for employment in Victoria and its constituent parts. This includes the Commonwealth Government which prepares five-year employment projections by statistical region each year. The latest projections are shown in the table below.

Table 3: Employment projections for the five years to May 2022

Industry	Employment growth, 000s Melbourne - West	Melbourne - Inner	Greater Melbourne	Victoria
Agriculture, forestry and fishing	0	0	0.3	1.4
Mining	0.1	-0.2	-0.3	0.2
Manufacturing	-2.2	-1.2	-14.9	-15.6
Electricity, gas, water and waste services	-0.5	-0.2	-1.0	-2.4
Construction	5.8	2.4	26.2	33.4
Wholesale trade	-0.1	-0.1	0.1	-0.2
Retail trade	6.4	3.7	19.6	22
Accommodation and food services	8.5	4.5	22.6	29.4
Transport, postal and warehousing	2.9	0.9	10.7	12.7
Information media and telecommunications	0.2	-0.7	-1.4	-1.5
Financial and insurance services	2.8	-0.3	6.7	6.7
Rental, hiring and real estate services	0.7	0.9	4.6	5.2
Professional, scientific and technical services	7.4	9.5	35.7	37.8
Administrative and support services	1.6	2.5	11.3	12.8
Public administration and safety	4.2	0.7	15.9	18.4
Education and training	2.2	5.1	30.8	34.9
Health care and social assistance	10.9	10.8	60.3	71.9
Arts and recreation services	0.6	1.5	3.0	3.8
Other services	0.2	0.5	2.9	3.6
Total (,000s)	51.8	40.3	233.0	274.6
Total (%)	13.9	11.4	9.8	8.8

Source: Department of Jobs and Small Business, 2017

In these projections, Melbourne – West (including Maribyrnong) is expected to have the highest number and rate of employment growth of any of Melbourne's regions over the next five years, even higher than the inner city. These projections show decline in manufacturing, utilities and wholesale trade but strong growth in health care and social services, accommodation and food services, professional services, and retail trade. Most of this growth is likely associated with population growth and the development of activity centres on the rapidly growing urban fringes of Melton and Wyndham. Nevertheless, some growth is associated with the expectations for Footscray as it develops its role as a very substantial activity centre.

If the employment growth projection for Melbourne's West and Inner Melbourne are reflected at all in West Footscray, then it could be expected that the area will continue to transition towards an industry structure that aligns more with the resident labour-force than the existing activity in the area. That is, there will be modest decline in industrial activities and strong growth in resident and professional services.

However, employment projections and forecasts must be treated with caution; employment can change rapidly as a result of wholesale industry change or because of particular projects; and the further into the future, the more uncertain they become. Projections, in particular, represent continuation of existing trends. In an economy where "disruption" is becoming commonplace, this is unlikely to create realistic pictures of the future. In this case, the structure plan for West Footscray is looking well into the future and may not be updated for 10 years or more. Land-use plans set in train now will have lasting economic effects. It is worth examining some of the key economic factors in more detail.

2.3 Economic Trends Affecting Urban Development

Economic trends affect the shape of our cities. The evolving urban form depends on the interplay of many factors, with outcomes which are difficult to predict. At this point, key economic trends include: automation and its effect on employment; the growth of the sharing economy; the growing inequality in incomes; and the attempts to improve the environmental performance of our economic activities. The following sections provide a brief exploration of these trends and how they may affect West Footscray.

2.3.1 Automation

Advances in technology – particularly in the collection, manipulation and interpretation of data - will enable rapid productivity improvements in the production and delivery of goods and services. This will have significant impacts on the number and type of jobs and may also affect the geography of production.

According to research in the USA and Australia[3], the jobs most susceptible to automation (and therefore, to disappearing) are those which involve routine tasks that require little in the way of higher order problem solving or personal interaction and negotiation. In one estimate, 40% of jobs in Australia are thought to be "highly susceptible" to computerisation and automation over the next 15 years (Durrant-White et al, 2015). The McKinsey Global Institute expect that around 23% of the work activities available in 2016 will be displaced by automation by 2030[4].

Those jobs most prone to automation are thought by many analysts to be labourers, machine operators, clerical and administrative workers, tradespeople and sales workers – as shown in the chart below. Nevertheless, it appears as though workers from all occupational categories may be affected to some extent.

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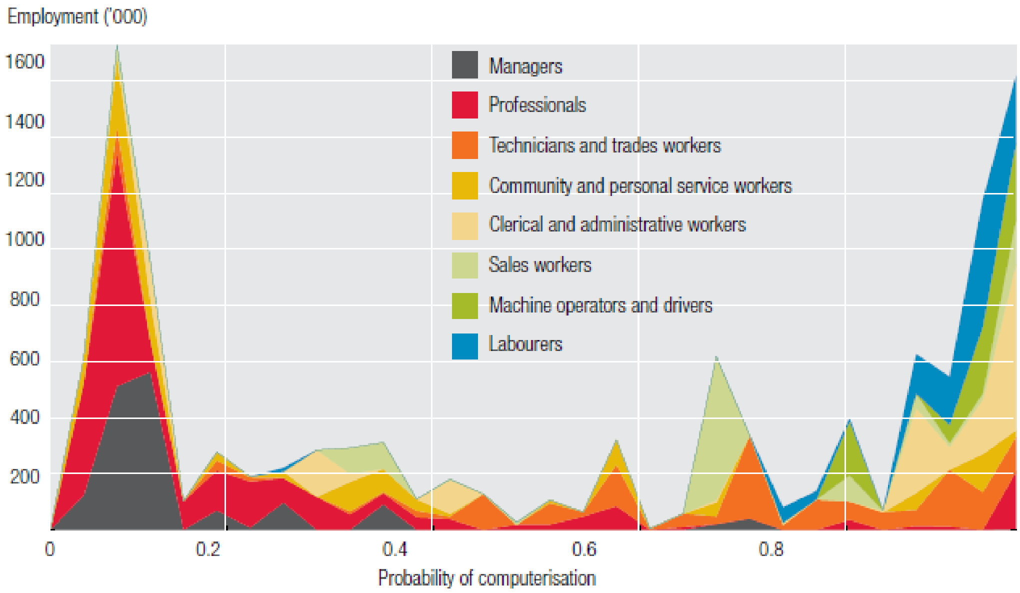
[3] See for example, The Economist, 18th January 2014, T*he Onrushing Wave: the future of employment*, London; and CEDA, 2015, *Australia's Future Workforce?*, Canberra

[4] Tom Simonite, 28 November 2017, "Robots threaten bigger slice of jobs in US, other rich nations", *Wired*

Figure 5: Distribution of job categories against probability of computerisation



Source: Durrant-Whyte et al, 2015

Automation will inevitably have a geographical impact, affecting those areas with a high proportion of production and clerical workers. This will include industrial precincts and activity centres with large retail and back-office functions.

Naturally, some jobs are likely to be created as a result of the new economic activities allowed by technological advances, but commentators are divided on whether new information technology will create a ***net*** decrease in jobs or not. Some point to previous waves of innovation that have generated more jobs than they have destroyed. Thomas Frey, for example, (Frey, 2014) identifies a range of industries that are likely to generate jobs including software and applications development, drone operation, sensor management, 3D printing design, big data analysis, immunotherapy, bio-factory design, home help, energy and transport system design and so on. It is to be hoped that automation will free us to undertake those tasks that we find more rewarding; however, there is also a possibility that more jobs will be part-time, ephemeral and lowly paid.

In the short term, it is likely that the new jobs will not be created in the same places or for the same people whose old jobs were destroyed.

The land-use implications of the accelerating wave of automation are difficult to discern and will depend on the types of business models that are used to deploy the new automated technology. Three-dimensional printing, for example, has the potential to deliver consumer products to order from small factories, shops or homes. This would put a premium on small industrial/consumer precincts close to residents. Extensive automation may make the cheap labour of overseas producers unnecessary with transport costs becoming the key variable for location. This generates the potential for the establishment of new near-jobless factories close to Australian consumers.

This will be a trend that does not just affect industrial areas. It does appear that many of the more routine jobs currently in Melbourne's CBD and other large activity centres will begin to disappear. This is an ongoing process but threatens to escalate over coming years (see, for example, the recent announcement by the National Australia Bank to reduce its workforce by a net 4,000 people, mainly in Melbourne and Sydney as the bank aims to “further automate and simply our business”[5]). The consequences of this trend on the demand for inner city property remains to be seen[6]. Demand may reduce if there are fewer jobs, with consequent reductions in property prices and the assets which residents are able to leverage. On the other hand, the highly serviced inner city enclaves may become even more attractive for global service providers – a geographic pole of income inequality resulting in what might be called hyper-gentrification.

The impact of automation on the community in West Footscray may be for a reduction in the more routine jobs presently accessible in industrial areas and large activity centres. In this circumstance the presence of flexible *local* employment spaces may be important in providing alternative work opportunities and bolstering community resilience.

2.3.2 The Sharing Economy

The sharing economy refers to the generation of revenue through sharing assets that would normally be unused. The sharing economy is enabled by new technologies that can communicate the availability of unused assets and quickly and easily put potential users in touch with potential suppliers via internet applications. Airbnb provides a market for accommodation using people’s homes and spare rooms; Lyft and Uber provide taxi services using the ordinary car-fleet; Airtasker, Upwork and Freelancer provide a market for small jobs using the spare time of workers across many industries; and so on.

The growth of the sharing economy means the growth of a more fluid labour-force, with more home-working and greater demand for co-working spaces where people can work with and learn from their peers on a temporary basis. Locations with more co-working spaces – formal and informal – are likely to be more successful in this kind of economy.

The key success of the sharing economy is in generating efficiency in resource use. This will have profound impacts on urban development in the future. For example, self-driving vehicles are likely to be a major outcome of the automation revolution outlined earlier; however, their impact on the urban form will depend on the business models that are used to deploy them and the legislative and tax incentives in place. Transitioning to transport as a shared service rather than an individual task will generate efficiencies in the number of vehicles required and in the land needed to accommodate them. Individual homes may no longer require parking spaces. These changes are still some way off but are likely to be having profound impacts on development by 2030.

For West Footscray, the sharing economy may mean that more land is freed up for non-transport urban development. It may also see substantial changes in some of the existing economic activities in the area. The car-yards on Barkly Street will probably look quite different. Fewer people will buy cars (compared with leasing, sharing or hailing them) and vehicle servicing will probably take place in industrial precincts. This will likely free up the land for other activities, including the flexible work spaces that will enable more people to fully participate in the emerging economy.

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[5] news.com.au, 13 November 2017, “NAB announced full-year profit of $6.6 billion and 6000 job losses by 2020”

[6] Unfortunately, neither Infrastructure Australia nor Infrastructure Victoria in their most recent planning documents have modelled the impact of automation on urban development and the shape of our cities.

2.3.3 Income and Wealth Inequality

Widening inequality in incomes and wealth has adverse impacts on social cohesion and the willingness to solve societal problems. A widening gap between the poorest and richest may become a consequence of widespread automation, unless redistributive measures are enacted.

Whether or not income inequality gets more or less pronounced, there will be consequences for urban development. Some of the consequences of higher income and wealth inequality include:

- Deterioration of the public realm and disinvestment in generalised collective services (health, education, public transport, cultural services)
- Reinforcement of advantaged and disadvantaged locations and inter-generational inequality
- Deteriorating access to employment by many of those already disadvantaged in the labour market
- Deteriorating access to low cost housing, particularly in job-rich areas

Some of the consequences of lower income and wealth inequality include:

- Improving public realm and collective services throughout the urban area
- More even distribution of benefits with public (and private) investment flowing disproportionately to poor areas
- Improved access to employment and housing through public transport investment and low cost housing

In West Footscray, polices to reduce income and wealth inequality would likely include:

- Retention and expansion of low cost housing for rent (ensuring that such homes are of a quality that improves the public realm)
- Retention of industrial precincts, activity centres and other employment generators that require lower income employment
- Retention and expansion of community goods – libraries, parks, community services etc
- Support for sharing economy infrastructure and workers as well as flexible working spaces

2.3.4 Environmental Performance

There will likely be growing global pressure for the introduction and strengthening of economic and social processes that preserve the environment through minimising resource and carbon-intensive energy use. This could mean:

- Organising urban development so that it enables lives and economic processes that are more sustainable
- Improvements in minimising, reusing and recycling materials
- Improvements in circular manufacturing (in which the product and waste stream of one enterprise becomes the feedstock of others nearby)
- Minimising energy in passenger transport by encouraging home-working, cycling, walking and public transport, off-peak travel and switching to renewable energy inputs
- Encouraging local food production
- Creating spaces for nature

In West Footscray policies that improve environmental performance could include:

- Working with businesses to help reduce material use
- Improving connections to public transport and providing bike paths
- Encouraging flexible housing styles that allow business use (and this could mean encouraging more three-bedroom units and provision of some units fronting directly onto the street to provide a business address)
- Encouraging community gardens and natural green spaces
- Relaxing the requirements for on-site car-parking in new developments where very strong environmental, social and economic performance can be demonstrated (see, for example, the Nightingale model)

2.3.5 Some Local Factors

There are several local factors that could affect the West Footscray economy – and urban form - substantially. These include possible expansion or relocation of existing facilities.

The ***Footscray campus of the Western Hospital*** is earmarked to be upgraded substantially. This may, or may not, involve a relocation of the hospital. No announcement on any relocation has yet been made. Regardless of the merits of any move from a health service perspective the removal of the hospital would have significant flow-on impacts with the loss of local jobs and ancillary services – consulting rooms, pathology labs, private hospital and lunchtime services, for example.

It is likely that any move would not be very far from the existing site in terms of commuting or access to health care. Nevertheless, a large stock of professional jobs would be removed from the study area. If the site is to be redeveloped, consideration should be given to the provision of employment spaces as well as housing.

If the hospital redevelopment takes place at the existing campus, space may need to be generated to accommodate further ancillary services. Health has been one of the fastest growing employers over the last ten years as new techniques and services are introduced to improve people's quality of life. A hospital precinct plan could be useful in identifying where new services could be located.

Victoria University has a presence in the study area in the form of sports science courses through its collaboration with the Western Bulldogs. Whilst no firm plans have been presented, there may be the potential to increase the local presence of the university including development of a new satellite campus for an expanded sports and recreation school. Such a facility should be able to take advantage of access to public transport (the West Footscray train station) and the existing recreational infrastructure around the Whitten Oval. Potential locations could include the car-yard sites along Barkly Street.

2.4 Conclusions on Future Trends

The key conclusion for the West Footscray Structure Plan is the need to plan for economic uncertainty. From an employment perspective, the Australian economy as a whole is continuing to move towards services. However, automation will affect large swathes of the service economy, particularly the routine clerical and administrative work often found in the central city and large activity centres. The growth of the sharing economy and the need to generate more socially and environmentally sustainable forms of living and working, as well as uncertainty about jobs in the inner city, will likely put more emphasis on flexible local workplaces. These will be workplaces that could accommodate shops, offices, showrooms, small-scale wholesaling, co-working spaces, artisans, 3D printing workshops, education and training spaces, health services or indoor recreation, for example. To be successful, these spaces will need to be highly attractive and accessible. Firms and staff here will need to connect seamlessly with those in localities across Melbourne in order to capture the benefits of cooperation and compete in global markets if necessary. This puts an emphasis on good architecture and urban design (incorporating high level sustainability features), and on connectivity to public transport, bike networks and the ability to accommodate to driverless cars.

Space for employment needs to be found despite the growing financial incentives to maximise housing provision as property prices in the study area outstrip the Melbourne average.

Maintaining and improving social sustainability of the area will involve development of low cost housing, for sale and for rent. This is also necessary to allow local businesses access to a wide variety of skills by people at all stages of their working life.

These conclusions do not imply that everyone *should* be working locally but that more people would *be able* to work locally given the opportunity, and that providing local workspaces may actually be necessary if broader economic trends sweep away many existing jobs.

3 RETAIL AND ACTIVITY CENTRE DEVELOPMENT

Three of the six key sites for this study are within the designated boundary of the West Footscray Neighbourhood Activity Centre (NAC) and one is directly adjacent. Activity centre development will influence the demand for new uses in these sites.

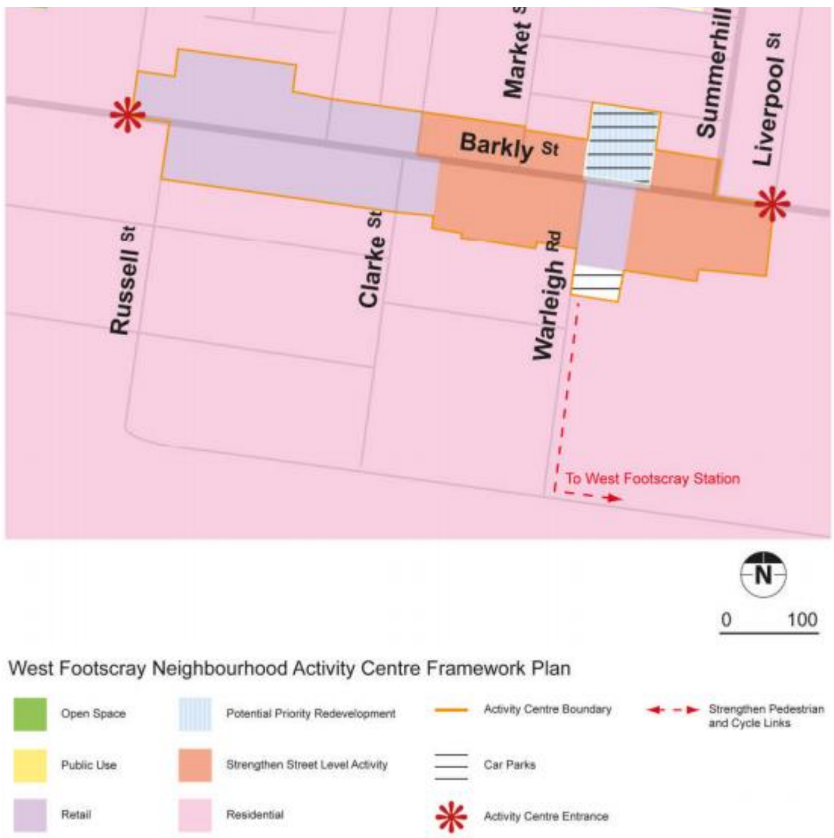
3.1 West Footscray Neighbourhood Activity Centre

West Footscray NAC is a street-based neighbourhood centre anchored by a mid-sized Sims IGA supermarket, with a library and neighbourhood house and a range of smaller retail premises. The centre stretches for approximately 600m along Barkly Street, with the commercial offering interspersed with housing – mostly single storey detached houses or units. The street is rather narrow for a centre of this type but this allows ease of movement for pedestrians, making for an intimate experience. The narrow street manages to accommodate a bus service. A noticeable feature of the strip is the extensive investment by the Indian community, with many South Asian restaurants, several Indian fashion outlets and Indian grocery stores. This concentration is likely to draw people from the Indian and South Asian communities from well beyond the normal trade area for the centre.

The future potential demand for new activity space in West Footscray NAC is forecast here by estimating how much retail floorspace will be required by the growing population that uses the centre and making an allowance for non-retail space.

The designated boundaries of the activity centre are shown below and this can be compared with the location of the six key sites in Figure 3.

Figure 6: West Footscray Neighbourhood Activity Centre Framework Plan



Source: Maribyrnong Planning Scheme

3.1.1 Activity Floorspace

The approximate floorspace of the activities in West Footscray Neighbourhood Activity Centre is shown in Table 4. The table shows:

- The total activity floorspace in the centre is around 14,300 sqm. In addition, there are 39 housing units within the designated boundaries of the centre
- Approximately 8,400 sqm (59% of all non-residential activity space) is devoted to retailing, including 3,300 sqm in food, grocery and liquor retailing
- 18 premises totalling 2,800 sqm are cafés, restaurants or take-away food outlets (food catering)
- At the time of survey, only one premises was vacant, although it appears that some other premises that were recently used as shops are now houses. This is a very low level of vacancy indicating that demand for space is currently outpacing supply

For the purposes of this report, retail activity comprises the following categories:

Food, groceries and liquor– supermarkets, general stores, liquor outlets, specialty food outlets (butchers, bakers, greengrocers etc)

Non-food goods, comprising

- **Clothing** – clothes, shoes, manchester
- **Household goods** – homewares, electronic goods etc
- **Recreational goods** - sporting goods, toys, bookshops, newsagents
- **Other goods** –, chemists, florists, jewellers, second hand goods etc

Food catering – cafes, restaurants and take-away food outlets

Retail services – hairdressers, beauty parlours, video rental, clothing and household goods repairs

Bulky goods – hardware, nurseries, furniture, floor-coverings, curtains and blinds etc

For the purposes of the analysis presented here, retailing excludes selling of motor vehicles, auto accessories and fuel. It also excludes outlets which are mainly engaged in wholesale sales.

Table 4: Approximate retail, commercial and community floorspace in West Footscray Neighbourhood Activity Centre

Activity	Premises no.	Floorspace sqm	Share of floorspace %
Retail			
Food and groceries	7	3,285	39%
Non-food goods	7	913	11%
Food catering	18	2,753	33%
Retail services	7	430	5%
Bulky goods	3	1,018	12%
Total retail	***42***	***8,399***	100%
All Activity			
Retail	42	8,399	59%
Accommodation	1	120	1%
Function rooms	1	2,400	17%
Health services	5	869	6%
Housing	39	n/a	n/a
Community services	4	1,526	11%
Post office	1	160	1%
Professional services	5	480	3%
Recreational services	1	54	0%
Unknown	1	108	1%
Vacant	1	180	1%
Total activity (excl. housing)	***104***	***14,296***	100%

Source: Tim Nott, land use survey conducted January 2018

3.1.2 Retail Sales

The following table provides a calculation of retail sales in the centre using an estimate of sales per square metre that is achieved by the local stores. This estimate is based on industry standards and adjusted for local conditions and the type of stores that are present.

Table 5: Estimate of retail sales in West Footscray Neighbourhood Activity Centre, 2018

Activity	Floorspace	Retail sales density	Sales
	sqm	$/sqm	$m
Food and groceries	3,285	$8,500	$27.9
Non-food goods	913	$5,000	$4.6
Food catering	2,753	$5,500	$15.1
Retail services	430	$4,500	$1.9
Bulky goods	1,018	$3,500	$3.6
Total retail	***8,399***	***$6,325***	***$53.1***

Source: Tim Nott

Total retail sales in the centre are estimated at $53 million in 2018.

The centre serves two main retail functions:

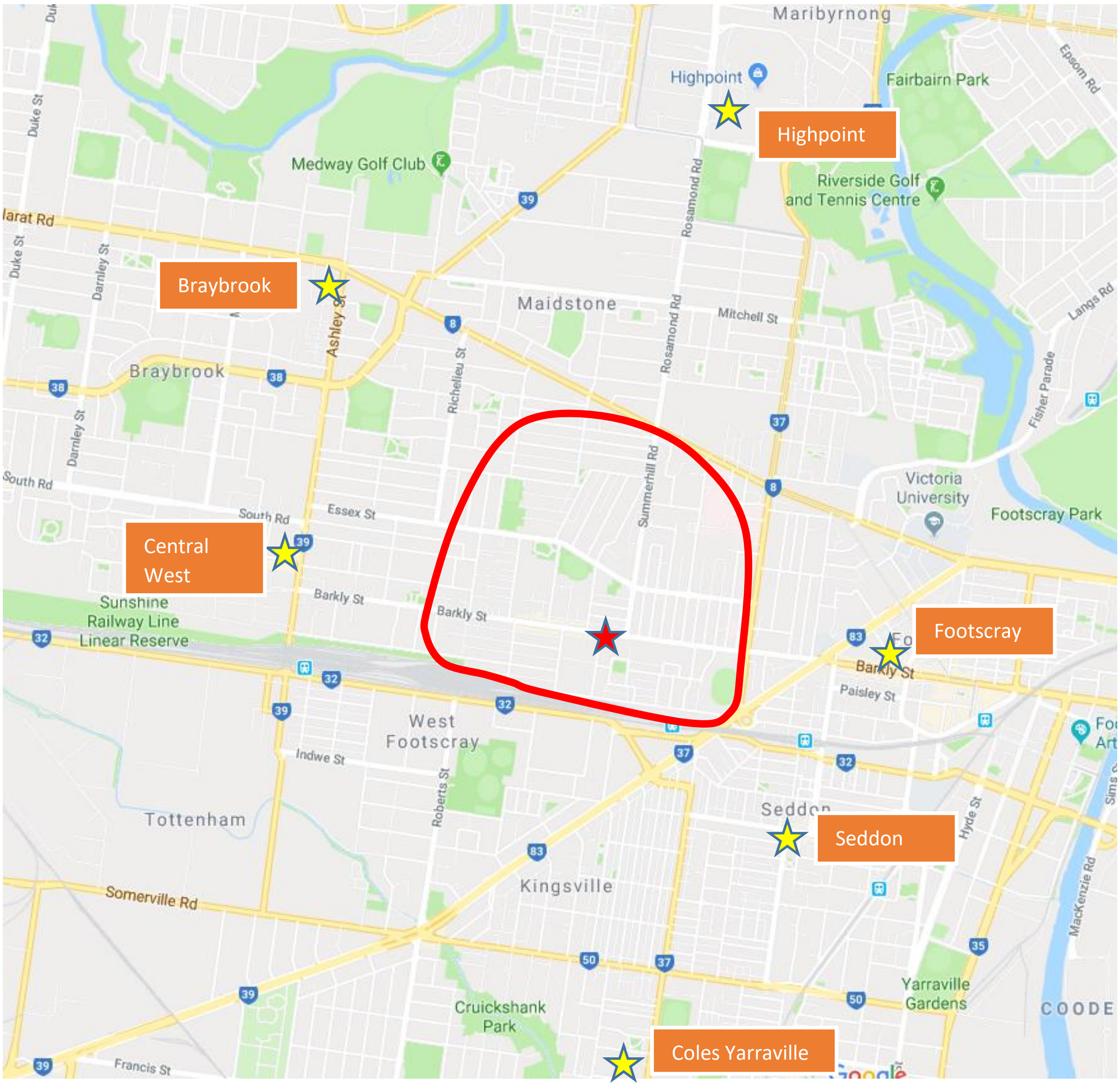
- Providing neighbourhood-level retail goods and services – food, groceries, and a small selection of non-food items - to its trade area
- Providing dining and South Asian cultural services to a much larger area

3.1.3 Retail Trade Area

West Footscray Neighbourhood Activity Centre serves a suburban trade area that is defined mainly by the location of surrounding centres with supermarkets. The boundary of the trade area is a line more or less equi-distant from West Footscray and the nearest supermarket centre. This formulation encourages centres to grow to an appropriate size to serve their catchment whilst enabling residents to have the smallest overall travel time to do their food and grocery shopping. The extent of the trade area is shown in Figure 7.

The prospects for retail and commercial development in the centre will be most strongly influenced by changes in the population of this trade area. The estimated resident population of this trade area in 2018 is estimated here at 9,437. This has been estimated from Census counts for SA1s in the area and adjusted to take account of under-counting in the Census and for moderate growth since the Census was conducted in 2016.

Figure 7: West Footscray NAC trade area and surrounding supermarket centres



Source: Base map – Google Maps

3.1.4 Forecast Population

Small area population forecasts have been produced for Council by .id consulting. These show that the West Footscray-Tottenham SA2 is expected to grow by 0.8% per year on average over the period 2018 to 2041. The growth rate forecast by .id consulting for West Footscray has been applied to the West Footscray Neighbourhood Activity Centre trade area to generate a forecast. This indicates that the trade area population will grow by almost 2,000 people over the period to 2041 to 11,435[7].

[7] This may be an under-estimate given that the West Footscray-Tottenham SA2 excludes some of the significant residential development sites identified in Council's housing framework plan.

3.1.5 Retail Spending

The following table provides an estimate of the total retail spending by trade area residents. Estimates for Melbourne have been sourced from Market info (a micro simulation model that provides estimates of spending in small areas based on data from the Census of Population and Housing and the Household Expenditure Survey) and adjusted for West Footscray based on the difference in household income per person.

Table 6: Estimated annual retail spending, West Footscray Neighbourhood Activity Centre trade area residents, 2018

	Retail spending per person in trade area $	Total retail spending $m
Food, groceries, liquor	$6,000	$56.6
Other non food	$4,500	$42.5
Food catering	$1,700	$16.0
Services	$400	$3.8
Bulky goods	$1,600	$15.1
Total	$14,200	$134.0

Source: Tim Nott

Overall, trade area residents are estimated to have annual retail expenditure of $134 million in 2018.

3.1.6 Current Balance of Retail Supply and Demand

Not all of retail spending by trade area residents is spent locally. A substantial share of resident spending is directed to larger centres such as Footscray, Central West, Highpoint and the Melbourne CBD that provide more comprehensive supermarket shopping and a wider variety of non-food goods.

The following table provides an estimate of how much of the retail sales at West Footscray Neighbourhood Activity Centre are attributable to trade area residents and the share of resident spending that is captured.

Table 7: Estimated balance of retail spending at West Footscray Neighbourhood Activity Centre, 2018

Activity	Sales $m	Share of sales to residents %	Sales to residents $m	Total spending by residents $m	Share of total resident spending in centre %
Food, groceries and liquor	$27.9	85%	$23.7	$56.6	42%
Non-food goods	$4.6	60%	$2.7	$42.5	6%
Food catering	$15.1	40%	$6.1	$16.0	38%
Retail services	$1.9	90%	$1.7	$3.8	46%
Bulky goods	$3.6	60%	$2.1	$15.1	14%
Total retail	$53.1	65%	$34.3	$134.0	26%

Source: Tim Nott

The centre is estimated here to capture 26% of resident spending. This is in line with expectations for a neighbourhood centre with a mid-sized supermarket. The share of sales resulting from spending by visitors from outside the trade area is estimated at 35%.

3.1.7 Future Retail Demand

Retailing is a dynamic industry that is experiencing an accelerating level of change. The key influences on the future development of retailing in West Footscray Neighbourhood Activity Centre will include:

- Population growth in the trade area – the size of the local market
- General economic conditions that determine the growth and distribution of incomes
- Evolving trends in the retail industry, including the scale of online spending, the introduction of new technology and changing scale of provision in different retail categories
- Competition from other centres in the region
- Changing preferences of consumers, with time-poor consumers preferring one-stop shopping, but those with fewer time constraints preferring wider choice, competitive prices and/or personalised customer service
- The extent to which the current specialisation in South Asian food and culture will be successful in attracting shoppers within and beyond the trade area
- Policy parameters established by Council that influence the scale and scope of Maribyrnong's activity centres in general and/or West Footscray Neighbourhood Activity Centre in particular

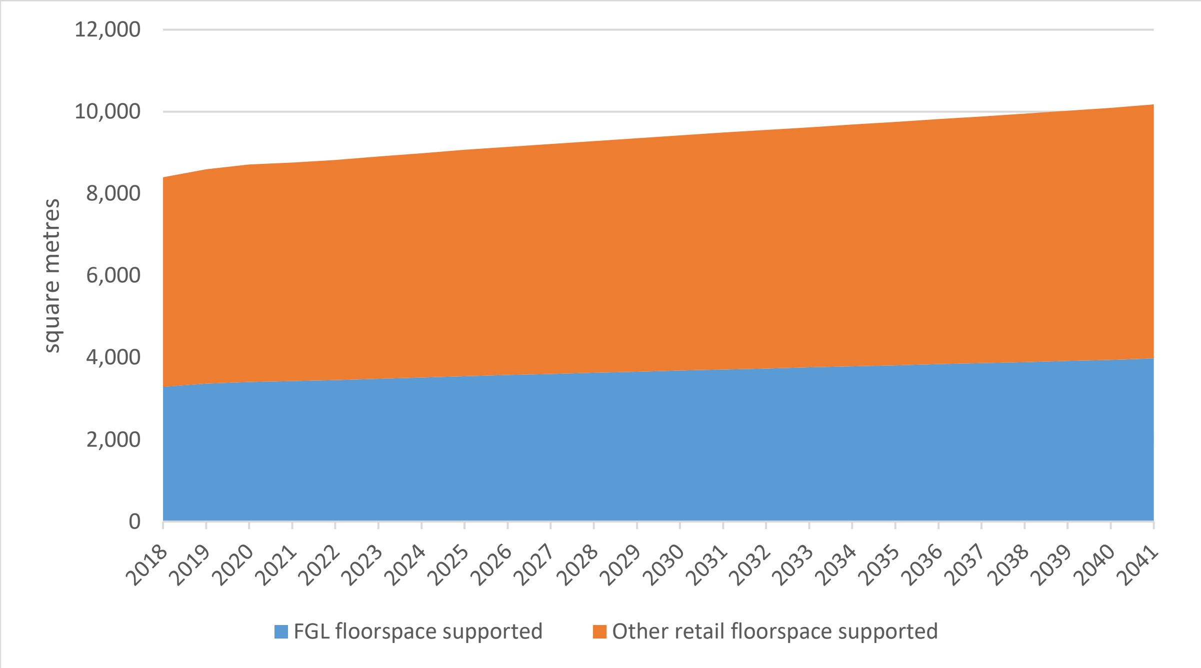
For the purposes of this report a forecast demand for retail floorspace over the period to 2041 has been made on the basis of a series of conservative assumptions[8], as follows:

- The population of the trade area will grow at 0.8% per year on average over the period to 2041 (see section 3.1.4)
- Any net growth in the average retail spending by trade area residents will be absorbed by on-line retailers
- The share of retail spending by trade area residents flowing to West Footscray Neighbourhood Activity Centre will remain constant at 26%.
- The share of sales to visitors remains constant at 35% of the total. This implies that sales to visitors will grow at the same rate as sales to residents
- The balance of spending on different retail types will remain the same over the period
- The capacity of West Footscray Neighbourhood Activity Centre to accommodate any growth in building area and the resulting car-parking is more or less unfettered

The forecast should be considered a scenario based on the assumptions outlined above. The following charts identify the forecast growth in the floorspace of the various retail categories.

[8] Conservative in that existing trade shares and established trends are expected to continue without major discontinuities. The real situation will undoubtedly be different in as yet unforeseen ways.

Figure 8: Forecast demand for retail floorspace, Barkly Village, 2018 to 2041



Source: Tim Nott; Note – FGL – food groceries and liquor

Under this scenario there is demand for a growth in retail floorspace of 1,780 square metres over the period 2018 to 2041. This comprises:

- 700 sqm of food, groceries and liquor
- 1,080 sqm of other retailing

This level of additional demand would be sufficient to support the provision of around 20 small shops or three or four showrooms/large format stores. In the food and grocery lines, the demand could support a modest expansion of the existing supermarket or provision of smaller food stores – butchers, greengrocers, delicatessens, bottle shops etc. (Relaxing the assumption about maintaining market share, the provision of a full-line supermarket - 3,000sqm or more - could capture a higher share of local spending.)

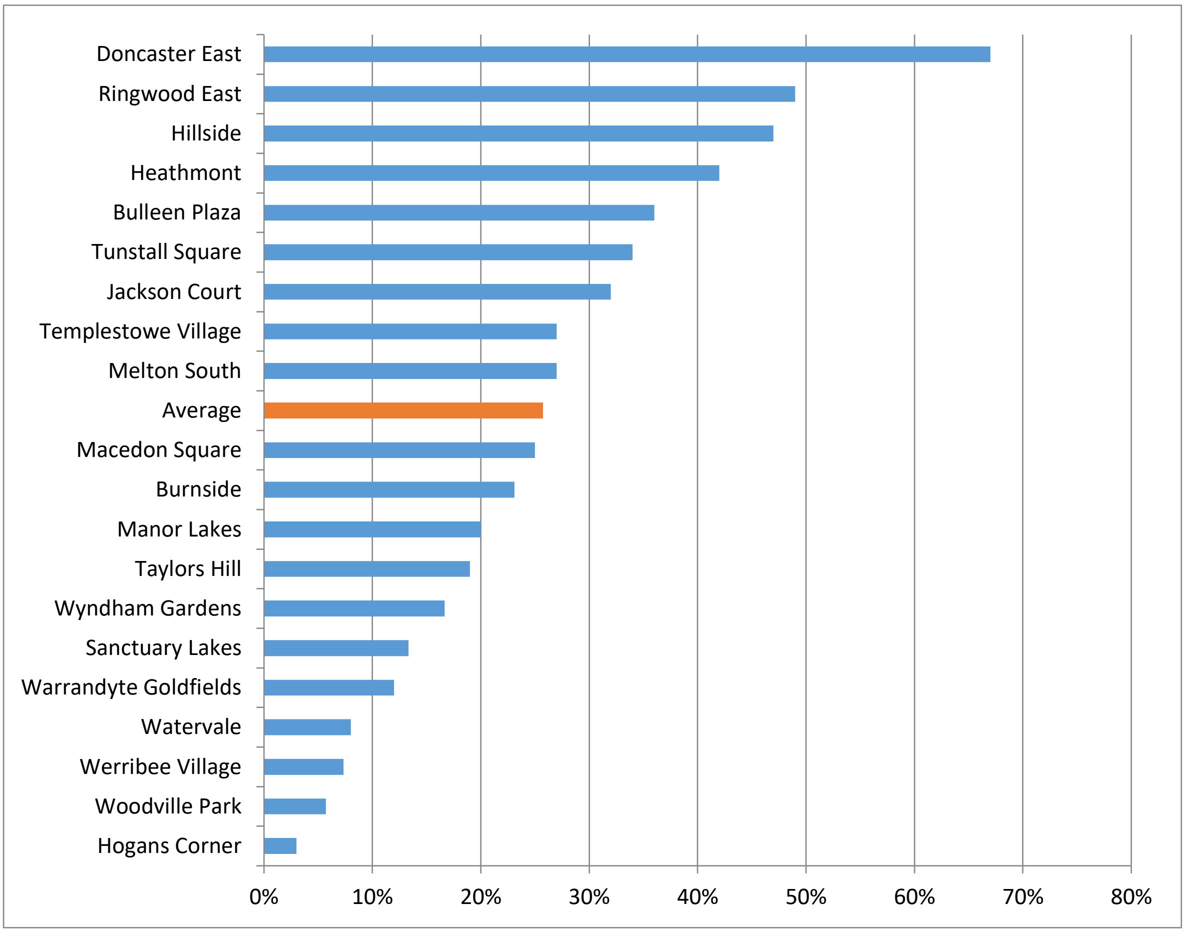
3.1.8 Other Commercial Activities

West Footscray Neighbourhood Activity Centre is not just a shopping centre but provides health and community services as well as office spaces for professional services firms. The centre also accommodates a large reception centre (501 Receptions) and several religious buildings. The centre contains no pubs or banks.

The prospects for growth in these activities are mixed. It is likely that small scale health, professional and business services will continue to grow, more or less in line with the population growth in the area. Health services of all kinds have been growing strongly throughout Australia and this can also be expected here. There may be scope for provision of culturally specific religious and community facilities to match the changing needs of the local community. Other activities may shrink, with, for example, the potential redevelopment of the 501 Receptions site for housing.

Forecasting floorspace for these non-retail activities is difficult because of the disparate nature of the activities which each have different predictors of demand. An approach often taken, and which is taken here, is to assume the growth of non-retail floorspace will be a fixed share of the total growth. In West Footscray Neighbourhood Activity Centre, the non-retail floorspace currently accounts for 41% of the total. However, because much of the civic infrastructure is unlikely to grow, the analysis here assumes that non-retail floorspace will account for only 20% of the total growth in commercial floorspace over the next 22 years[9]. Whilst there is no typical share of non-retail space in neighbourhood centres, a share of 20% to 30% appears to be average for many neighbourhood centres in the metropolitan area as shown in the following diagram.

Figure 9: Share of non-retail space in selected neighbourhood centres, Greater Melbourne



Source: Tim Nott
Note: excludes housing; data collected over ten years 2007 to 2017

[9] A share of 30% is often used as a benchmark for non-retail space. However, in this case, it seems likely that any redevelopment of the substantial 501 Receptions site would be for retail, commercial and housing uses, and this could reduce the non-retail space in the centre significantly.

If the retail floorspace grows by 1,778 square metres over the period to 2041 as predicted in the scenario in the preceding section, **then the non-retail floorspace will grow by 445 square metres**. This is likely to be mainly in small offices which could be developed as shop-fronts or as purpose-built offices on vacant land or above shops.

3.1.9 Land requirements

The table below provides an estimate of the land required for the forecast growth in retail and non-retail space at West Footscray Neighbourhood Activity Centre over the period to 2041.

Table 8: Estimate of land required for forecast growth in activity space, West Footscray Neighbourhood Activity Centre, 2018 to 2041

Activity	Net growth in floorspace	Car parking requirement		Total area required
	sqm	spaces/100sqm	sqm	sqm
Retail	1,778	3.5	2,178	3,957
Non-retail	445	3.5	545	989
Total	2,223		2,723	4,946

Source: Tim Nott

Note: Car parking requirements are as set out in the Maribyrnong Planning Scheme. The area of car parking is assumed to be 35 sqm per space.

Taking into account the car-parking requirement, around 4,900 sqm of land will be needed to accommodate the net growth in floorspace at West Footscray Neighbourhood Activity Centre over the period 2018 to 2041. This assumes at-grade development and is based on the conservative assumptions for floorspace growth outlined earlier.

If demand should warrant, the scenario for development outlined here could be accommodated within the designated boundaries of West Footscray Neighbourhood Activity Centre through:

- Development of existing vacant sites, with four vacant land parcels within the boundaries of the centre totalling approximately 3,500 sqm
- Redevelopment of existing buildings at higher densities – provision of second stories on single storey premises, for example
- Replacement of existing detached dwellings with commercial or community buildings (possibly with housing above)
- Redevelopment of large sites such as 501 Receptions and surrounds for commercial as well as housing purposes (with this site measuring 6,200 sqm)

Given the potential demand for a modest growth in activity floorspace in the centre beyond the capacity of the existing vacant sites, it is prudent to retain policies that ensure active frontages (ie shop units or community facilities) in any redevelopment within the boundaries of the centre.

3.2 Bulky Goods and Automotive Development

Bulky goods and automotive sales are a feature of local economic activity in West Footscray. This development occurs on suitably zoned land on the principal roads through the study area including

Ballarat Road and Geelong Road. Barkly Street hosts a substantial automotive sales and service precinct, located between the Whitten Oval and the West Footscray NAC. This land, zoned Commercial 2, is one of the key sites identified by Council.

The previous section has identified that the growing local catchment is likely to generate some expansion in retail demand across the board, including demand for the types of goods that are provided in part through bulky goods outlets. However, modern bulky goods outlets typically congregate in large sites on major through-roads with excellent access for a wide regional or sub-regional catchment. This would apply to Geelong Road or Ballarat Road but is not applicable to Barkly Street which has more of a neighbourhood catchment. As a consequence, it would be difficult to envisage extensive bulky goods *retail* development in this location as an alternative to the present activities *unless* there were no alternative sites available. There do appear to be some alternatives in the region, including large vacant or under-utilised industrial sites on Sunshine Road, Ballarat Road and Geelong Road (although not all in Maribyrnong).

Reinvestment in automotive sales and service activities has more potential for the precinct in the short term. However, there are hurdles to even this kind of employment activity:

- Most automotive sales and servicing, like other bulky goods, prefers locations with high exposure on main roads – more like Geelong and Ballarat Roads than Barkly Street
- The current activity is underpinned by one large investor – Alan Mance Motors. Should this investor pull out, some of the other activities – tyres and servicing – may cease to find this a profitable location
- The growth of Internet sales means that, for some operators, high profile sites are no longer required and cheaper buildings in industrial areas are sufficient to accommodate their vehicle stock. This profile does not fit the Barkly Street sites
- The advent of electric, self-drive vehicles may force changes to the way cars are owned and serviced. Over coming decades, more vehicles may be leased or used on demand, for example. If the era of individual ownership of cars is coming to a close, then fewer sales outlets will be required and repair services may be centralised into less high-profile sites

While the prospects for automotive sales and service are uncertain, there may be other bulky goods activities for which the Barkly Street precinct would be well suited. This could include, for example:

- Car rental outlets to service the local residential market and the business market, especially as the nearby Footscray activity centre becomes more important as a business location
- Showrooms and wholesale outlets that cater for the growing business market in the Footscray Central Activities District and the wider region, and these could include office furniture and interiors, lighting, stationery and office equipment, for example, many of which typically have locations on the fringes of large centres. There are competing locations for this kind of investment in and around the Footscray and Highpoint Activity Centres

Given alternative and superior locations on major roads through the region and in and around the large activity centres, there is no sure demand for bulky goods outlets and automotive sales in the Barkly Street precinct over the longer term if the present occupants were to leave. Nevertheless, it makes sense to preserve active frontages in Barkly Street in order to:

- Allow for the potential expansion of the West Footscray neighbourhood centre
- Provide space for secondary activities servicing the Footscray CAD
- Create flexible spaces for employment and provision of services for the long term

3.3 Activity Centre Policy

The activity centre planning framework is established in Plan Melbourne, the State Government's strategic land-use plan (DTPLI, 2014). Plan Melbourne outlines the hierarchy of activity centres across the metropolitan area, from the Melbourne CAD to Metropolitan Activity Centres, Activity Centres, neighbourhood centres and local centres. Identification of, and planning for, neighbourhood centres is left to local Councils.

Council has identified West Footscray as a neighbourhood activity centre in the Planning Scheme (City of Maribyrnong, 2012). The Municipal Strategic Statement (MSS) has also identified three local centres:

- Ballarat and Summerhill
- Ballarat and Gordon
- Tottenham

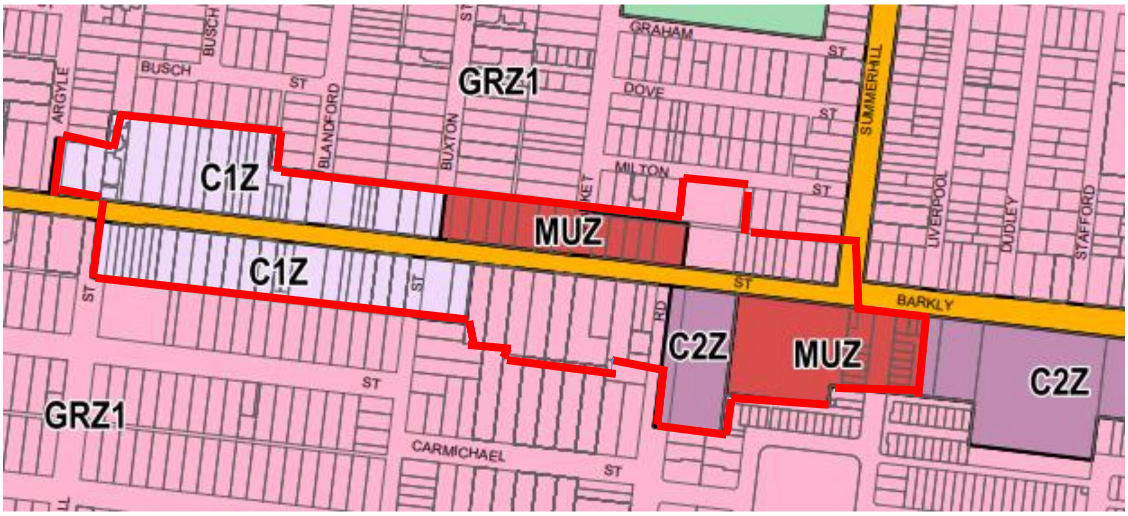
Local centres provide convenience retailing and commercial services for local communities, although the MSS notes that the Tottenham local centre on Sunshine Road is expected to decline because of its position on a busy main road.

Strategies for the development of West Footscray neighbourhood activity centre are detailed in the Planning Scheme (Clause 21.11-6). These nominate the boundaries of the centre and detail strategies (shown in Figure 6) to meet three key objectives:

1. To consolidate and enhance the role of the centre
   - Strengthen street-level activity particularly in areas of remnant housing
   - Encourage a mix of businesses and night and day activity
   - Accommodate new housing on upper levels of new buildings
2. To encourage a built form that is consistent with the preferred character of the centre
   - Encourage development of 2-3 storeys
   - Encourage fine grain development
   - Prioritise development with retail/office at ground and housing above
3. To enhance the public realm
   - Promote design that ensures passive surveillance of public spaces
   - Upgrade pedestrian experience with improved pavements, crossings and verandas
   - Support the upgrade of commercial buildings to improve viability

The zoning of the centre along Barkly Street is a mix of Commercial 1, Commercial 2, Mixed Use and General Residential, as shown below.

Figure 10: Zoning in West Footscray Neighbourhood Centre



Source: Maribyrnong Planning Scheme

This zoning does not currently align with the intent of the objectives in the planning scheme. The General Residential Zone, for example, does not encourage extensive retail development at ground floor level; and the Commercial 2 Zone does not allow housing development. It is Council policy that rezoning must be led by land-owners.

4 INDUSTRIAL DEVELOPMENT

There are a number of reasons for looking at the demand for industrial development in the area:

- Several of the key sites identified by Council are zoned Commercial 2 which would theoretically allow the development of light industrial activities
- The extent of demand for industrial development south of the Sunbury railway line will affect the amenity of the adjacent housing areas
- The demand for industrial activity will affect the economic development prospects of the suburb as a whole

The industrially zoned land in West Footscray is shown in Figure 2.

4.1 Industrial Activity in West Footscray

The larger activities on industrially zoned land in West Footscray include:

- Wattyl Australia – paint manufacturers
- Sita Coaches depot
- Graincorp Foods – oil manufacturer
- Pampas – pastry manufacturer
- Dimmeys (retailer) head office
- Maribyrnong Council Depot
- Bunnings Warehouse – hardware outlet
- Central Cleaning Supplies – wholesaler
- Supercheap Storage

Most of the activities are traditional industrial uses – manufacturing (paint, food products, engineering products), wholesaling (clothes, variety goods, nuts and bolts, funeral goods), storage, distribution and transport. Some activities result from the location of these industrial areas on main roads, close to residential areas and close to the central city. Large format retailers – Bunnings and car yards, for example, have found locations on the main Geelong Road (Princes Highway) with good access and exposure. Gyms and pet day-care are likely to be supported by the surrounding residential catchment. Storage depots serve central city businesses for document and equipment warehousing (such as Opera Australia).

The activity is accommodated in a mix of large format industrial buildings and some smaller industrial and office units, especially on Geelong Road and on Indwe Street.

The two principal industrial precincts in West Footscray are the Sunshine Road precinct and the Paramount Road precinct, as shown overleaf. The aerial photographs show that most of these precincts are intensively developed, although some activities require large areas of land for vehicle movement and storage (such as the Sita Coaches depot on Sunshine Road).

There are three significant parcels of vacant land:

- Indwe Street/Cala Street (approximately 4 hectares)
- Braid Street (approximately 1.5 hectares)
- Corner of McArthur Street and Indwe Street (approximately 0.6 hectares)

The Indwe/Cala Street site is the subject of a planning application for development of 177 warehouse units including, potentially, the provision of a small retail node. The proposal is presently before VCAT, having been refused by Council.

Figure 11: Sunshine Road industrial precinct

Figure 12: Paramount Rd industrial precinct

Source: Google Maps

There are several vacant buildings in the industrial precincts, including the attractive, high profile heritage listed warehouse at 47 Sunshine Road.

Figure 13: High profile vacant building

Source: Google streetview, March 2017

Nevertheless, for the most part, the industrial precincts are actively occupied and provide valuable goods, services and employment.

That there is demand for the industrial land is indicated by the application at Indwe/Calla Street and developments over the last two years such as:

- 50 McArthur Street - a large warehouse
- 46 Graingers Road – 27 office/warehouse units

Anecdotally, there is continuing demand for inexpensive industrial land close to the city that can provide back of house storage for activities on higher profile sites such as car-yards.

Data from the Victorian Building Authority (VBA) suggests that there has been, on average, 1.4 new industrial building projects per year in West Footscray (suburb) over the five years to 2017, with an average annual floorspace of 5,000 square metres[10].

[10] VBA, building permit data, 2013 to 2017; new buildings only – excludes additions and alterations to existing buildings

4.2 Factors Affecting Future Demand for Industrial Land[11]

Many trends will affect the future demand for industrial land in West Footscray. Several of the broader trends are described in section 2.3 and include job automation and the ongoing introduction of new more efficient technologies.

4.2.1 New Transport Technology

Driverless vehicles appear likely to be introduced in coming decades and the technology and emerging business models will soon begin shaping the location of investment in the transport and logistics sector. The sharing economy enabled by new software applications will also have an impact on how the sector is organised by allowing delivery of parcels and other freight by occasional drivers.

The potential implications for industrial land and activity in Melbourne have yet to be fully thought through but could include:

- Concentration of ownership in the bulk freight sector because of the higher capital and servicing costs of driverless vehicles; this need not mean concentration of transport depots but could mean larger and more centralised servicing arrangements in order to provide the stringent quality control that regulators are likely to impose on driverless vehicles
- Dispersal of ownership in the small freight sector

There may be some similar consequences for the car fleet, with a move to car leasing or ride-on-demand encouraging concentration of ownership and servicing activity.

Vehicle sales activity is now heavily reliant on online advertising. Many car sales activities no longer require extensive sites with main road exposure but are located in warehouses, backed up in some cases with store fronts in large shopping centres. A move to more leasing could see fewer sales outlets.

The opportunities for West Footscray's industrial areas could include:

- provision of car servicing and storage for sales activities on main roads or online
- freight depots for small freight vehicles servicing the inner city

4.2.2 Urban Development and Urban Manufacturing

In many places throughout Melbourne, appropriately located industrial land has provided room for the expansion of more intensive urban development. This usually results in higher density uses – offices, retailing and/or high density housing. In Footscray, former industrial precincts around the central activities district (CAD) have become the location for apartment towers and an extension of the retail offering of the centre. Industrial land close to some larger centres has also been changing use to large format retailing or to entertainment uses.

Industrial land does provide conveniently large allotments that provide for ease of redevelopment, if change of use is allowed or encouraged. The consumption of industrial land can be seen as a natural process of urban development as towns and cities grow.

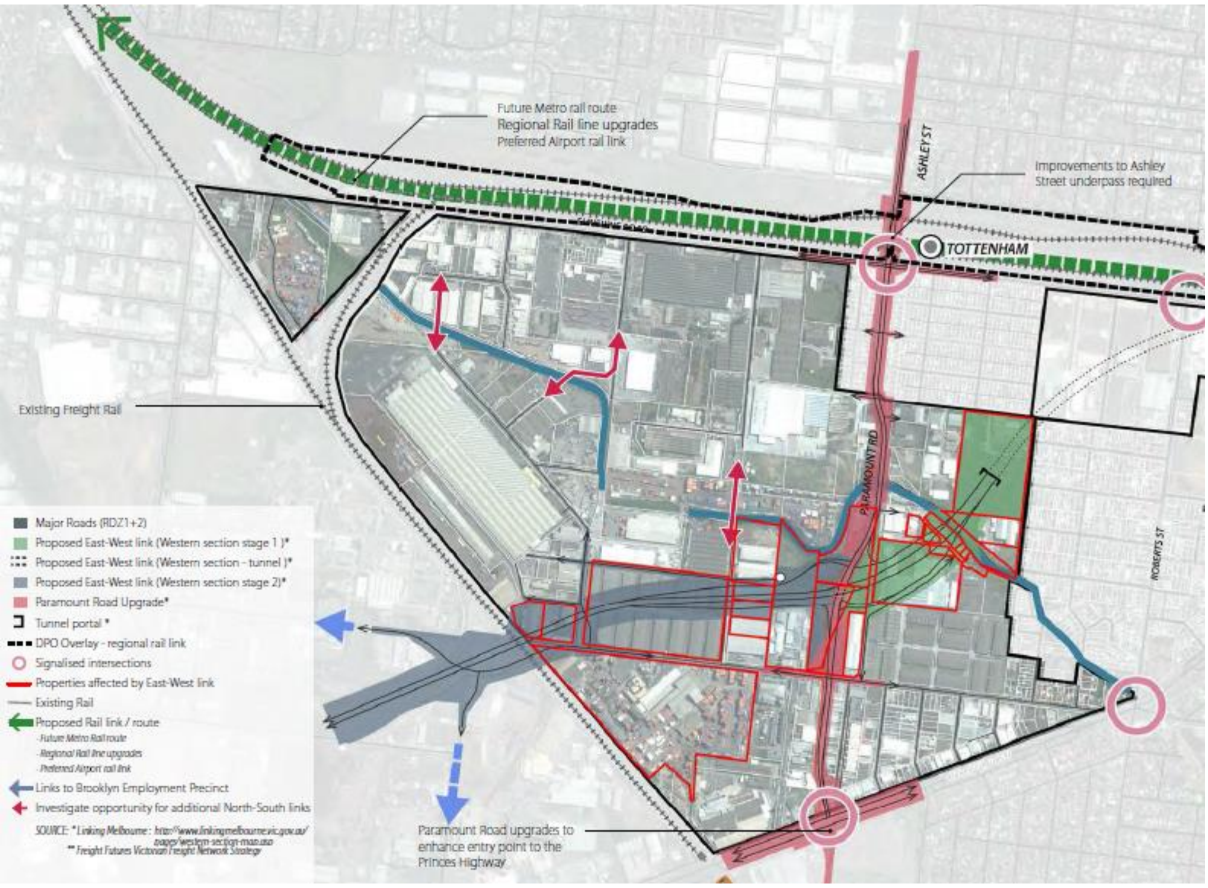
West Footscray has been defined as a Core Industrial Area in local planning policy and is part of the Western State Significant Industrial Area in State planning policy. This indicates that change of use is

[11] This section has been informed by earlier work completed for Brimbank Council (Nott 2016) and Moreland Council (Nott et al, 2015)

unlikely at least in the medium term. Nevertheless, the character of the area is changing somewhat to include more retail and office uses that may foreshadow more significant changes in years to come. This change may be accelerated if the West Footscray precinct is cut off from the rest of the industrial concentration to the west by the development of the Westlink tunnel.

The Westlink tunnel was formerly due to require substantial parcels of industrial land in the Paramount Road precinct, as shown in the diagram below. Whilst the current Government has decided not to proceed with this project, it may be reactivated at some time in the future.

Figure 14: Road projects in Tottenham (as at 2014)



Source: Tract, 2014

Industrial land in precincts close to activity centres or to residential areas has also been sought after by "urban manufacturing", that is, craft-based activities which rely on direct feedback from customers and which often have a sale component. This type of activity includes small scale food production, brewing, furniture, jewellery or clothes production where customers can see their goods being produced and/or have access to the makers.

Related to this trend for craft-based production, there is a growing demand for maker spaces, incubators and co-working spaces where artists, small hobbyists or part-time producers can collaborate, share tools, learn new skills and, potentially, create new product ideas and enterprises (see, for example, The Footscray Maker Lab or Space-Tank Studio). These kinds of spaces may be important in developing a community of skilled workers that will enable new generations of local enterprises. The space demands of these facilities are unlikely to be large in the first instance, although if successful may generate demand for small and medium sized workshop units with sales and gallery outlets.

4.2.3 Advanced Manufacturing

Growth in advanced manufacturing has been the goal of much Government economic development policy. "Advanced manufacturing" is taken to mean production of goods with high levels of science and engineering embodied in them, usually requiring very sophisticated production methods and highly skilled workers. Advanced manufacturing includes sectors such as pharmaceuticals, nano-technology and production of new materials, sophisticated electronic machine tools and digital equipment, and vehicle manufacture as well as scientific design and testing. The logic in concentrating on advanced manufacturing is that such industries often operate at the early stages of the product cycle, generating high returns for owners, workers and the wider community, and require extensive supporting infrastructure in the form of education, training and research. These factors are hard to replicate and therefore, so the thinking goes, somewhat protected from competition by the countries that have become our suppliers of less sophisticated manufactured goods.

There is some advanced manufacturing in the West Footscray precinct including military power and radio equipment. However, Melbourne's advanced manufacturing and supporting educational and research facilities are generally concentrated elsewhere. In particular, the South Eastern suburbs have a high concentration of advanced manufacturing including several CSIRO research facilities, research-intensive universities, the Synchrotron and a range of firms involved in precision scientific instruments, nano-technology, pharmaceuticals and vehicle manufacture. Maribyrnong has almost no science research infrastructure outside Victoria University and few firms involved in highly innovative research-led manufacturing.

It seems likely that the advantages to be gained from advanced manufacturing will be harder and harder to secure as science and research infrastructure in developing countries such as China and India progress. Nevertheless, with increasing automation of more routine production, advanced manufacturing remains worth pursuing. West Footscray has advantages in terms of available land and proximity to the central city as well as an existing manufacturing heritage. What this sector also requires are buildings and landscapes that will attract talented workers and high accessibility.

4.3 Future Demand for Industrial Land

The likely outcome of the various trends outlined in the previous section on the demand for industrial land in West Footscray is very hard to discern. On the one hand, ongoing changes in manufacturing automation may well reduce demand from large routine manufacturing operations and could result in the closure of some existing enterprises. On the other hand, proximity to the central city markets may well create demand from back-office functions, storage, small scale distributors, small-scale factories and arts and recreation activities.

For the purposes of this report, the land demand over the forecast period (to 2041) for activities presently allowed on industrial land is assumed to be equal to the area of land available; that is, all the existing industrial land in the existing precincts will be required. However, there is likely to be a change in the form of activities, with fewer land-extensive manufacturing operations and more retail, storage and small office and office/warehouse activities.

As a sense-check on the scale of demand, consider the following. If average demand over the past five years were to continue to 2041, then 115,000 sqm of new industrial buildings would be required over the period. Allowing site coverage of 60%, then around 19.3 hectares of land for new buildings will be required. The total area of industrial land in the study area is broadly 62.5 hectares, although vacant land is only around 6.1 hectares. This implies a requirement to redevelop 13.2 hectares of land to accommodate growth (19.3 ha demand less 6.1 ha vacant), equivalent to 21% of the total area over 23 years. This calculation suggests a moderately active industrial property market in the area and supports the need to retain the land for industrial/employment purposes.

There is no strong support for the creation of additional industrial land in West Footscray. Some of the most recent developments on the existing industrial land – bulky goods, offices or storage, for example - could be just as easily located on land zoned for Commercial purposes. The economic development value of the industrial land in West Footscray is that it provides inexpensive locations for long term employment of many different types. Extensive areas of land for further development of significant factories and warehouses are available elsewhere in the Western State Significant Industrial Precinct.

From a demand viewpoint, therefore, there appears no special reason to retain the key sites in the study area to accommodate industrial activities, although other forms of employment use such as offices and showrooms would likely find these sites an appropriate location.

4.4 Planning Policy for Industrial Land

State Government planning policy – see Plan Melbourne (DTPLI, 2014) – recognises the need for extensive industrial precincts in order, "*To provide strategically located land for major industrial development linked to the Principal Freight Network and transport gateways. They will be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment*." (DTPLI, p14)

West Footscray is the eastern-most extent of the Western State Significant Industrial Precinct (WSSIP) which is the largest of all the precincts around Melbourne. With the existing and future identified industrial land supply, the WSSIP has sufficient land to last into the 2040s according to DELWP (2017).

Maribyrnong Council's local industrial planning policy, as articulated in the Industrial Land Strategy (AEC, 2011) provides the following goals:

- ***Stable employment land supply****: Maribyrnong has a stable and preserved amount of Industry Related Employment Land (IREL) available in the future to deliver jobs and economic prosperity as the City transforms from its industrial past to a modern economy.*
- ***Reduced vacancy rates****: Core Employment Area (CEA) precincts are viable and vibrant places that are actively managed through Precinct Watch committees that have participated in addressing access and amenity issues.*
- ***Improved sale values and rents****: Sales values are buoyant reflecting demand for well-located and attractive employment land in proximity to the Port of Melbourne and the CBD.*
- ***Increased investment****: Improved sales values, access and amenity have attracted increased investment into Maribyrnong's Core Employment Area (CEA) precincts.*

- ***Increased employment/hectare**: the increased investment has attracted new industries which in turn has increased employment and employment per hectare resulting in economic diversification, increased incomes and a decrease in socioeconomic disadvantage.*
- ***Reduced complaints**: By addressing access, amenity, buffer and environmental issues residential complaints have been reduced and the community place a high value on Core Employment Area (CEA) precincts and the wealth they create.*
- ***Increased public transport volumes to/from work**: Attention to public transport infrastructure and improved access for pedestrians to and within Core Employment Area (CEA) precincts has resulted in more employees using public transport to and from work hence reducing traffic congestion.*

(AEC, 2011, p7)

These goals respond to the changing demands on employment land in Maribyrnong:

- The need to retain land for employment in the face of strong pressures to rezone for housing purposes
- The need to ensure that industrial and employment precincts are attractive for the next wave of investment given changing requirements by investors
- The need to protect the amenity of both residents and industrial occupiers where these are in close proximity

The Industrial Land Strategy established the need for precinct framework plans for Core Employment Areas. The draft precinct framework plan for Tottenham and West Footscray was endorsed by Council to facilitate further discussions in 2014 (Tract Consultants, 2014). This framework plan strongly protects the employment purpose of the precincts whilst encouraging some modernisation of the property offering in the area. This includes encouragement for more office/warehouse activity on Sunshine Road and adaptive reuse of the heritage warehouses on Sunshine Road.

The preservation of industrial development opportunities in Core Employment Areas means that there is no strong pressure for the key sites in the study area to accommodate industrial activities. And there are nearby alternatives for any industrial activities that are displaced from the key sites.

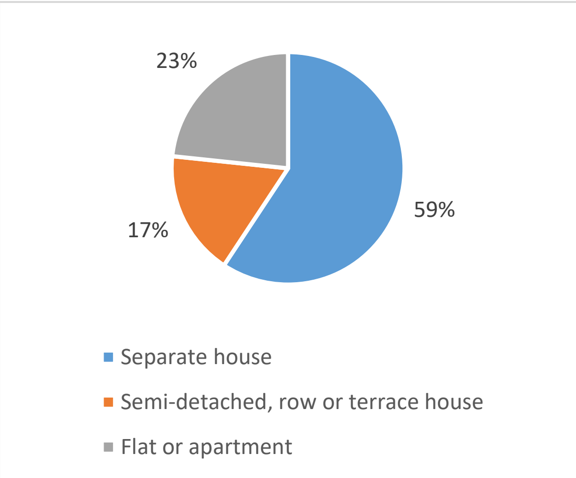
5 HOUSING DEVELOPMENT

Housing development has become the highest value form of property development in Melbourne's inner city. Government policy has encouraged higher density housing development in order to improve the overall sustainability of urban growth, and more consumers have become willing to adopt a higher density lifestyle. Housing is therefore the main focus of redevelopment in West Footscray's key sites. This section looks at the likely demand for housing in the area.

5.1 Existing and Recent Housing Development

The existing housing in West Footscray is, for the most part, modest detached dwellings on subdivision patterns laid out at the beginning of the 20th Century. More recent housing development has taken place on formerly industrial and commercial sites or on consolidated residential sites and has included extensive town-house and small-scale apartment developments.

Figure 15: Housing mix, West Footscray-Tottenham SA2, 2016

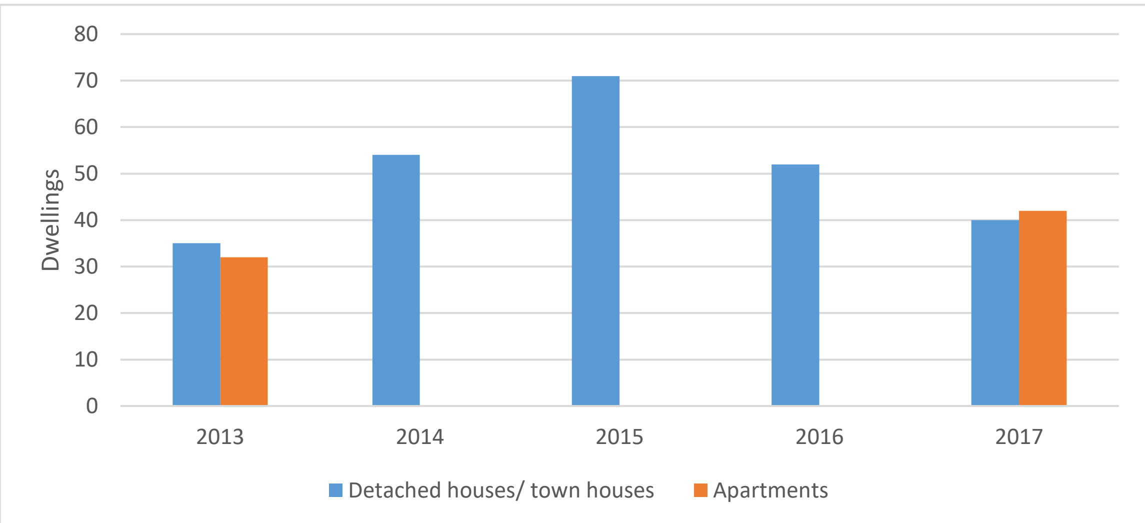


Source: ABS, 2017

The chart adjacent shows the mix of housing types at the time of the 2016 Census in the West Footscray-Tottenham SA2. While separate houses remain the most numerous type of dwellings, apartments and townhouses are also common.

The following chart provides building permit data showing the net number of new dwellings constructed in the West Footscray suburb over the five years to 2017.

Figure 16: Recent housing development, West Footscray (suburb)

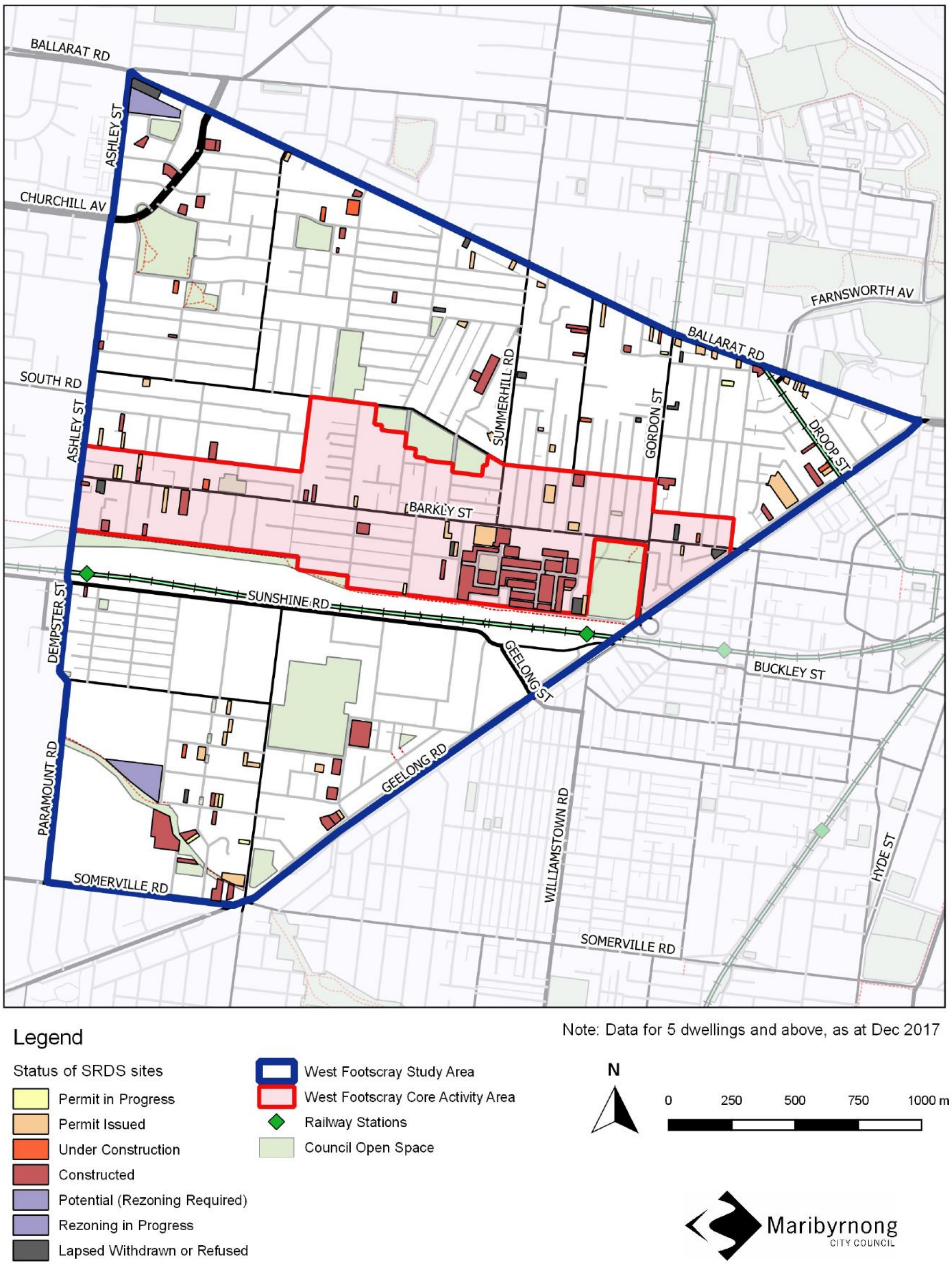


Source: Victorian Building Authority, 2017

The suburb excludes some of the more rapidly growing parts of the study area. Nevertheless, it is clear from the chart that the development of apartments has been "lumpy" but demand for houses and townhouses has been maintained year after year (albeit peaking in 2015 according to the data).

The map below shows the location of recent developments and planning permits for housing developments with five or more dwellings over the last several years. The most significant concentration has been the town-house and apartment development between Barkly Street and Cross Street. This area has the advantage of being close to the neighbourhood activity centre and to the West Footscray train station.

Figure 17: Significant residential development sites, West Footscray



Source: Maribyrnong City Council, unpublished

5.2 Forecast for Housing Demand

Forecasts for housing demand in Maribyrnong have been produced for Council by .id consulting (2016). These show that the number of dwellings in West Footscray-Tottenham SA2 is forecast to grow by approximately 1,300 between 2016 and 2041. The eastern part of the study area is in the Footscray SA2. The number of dwellings in this area is forecast to grow by 13,500 over the period 2016 to 2041. While most of these are likely to be within the boundaries of the Footscray activity centre, some will be within the study area for this project including on key development sites identified by Council.

5.3 Supply of Land for Housing

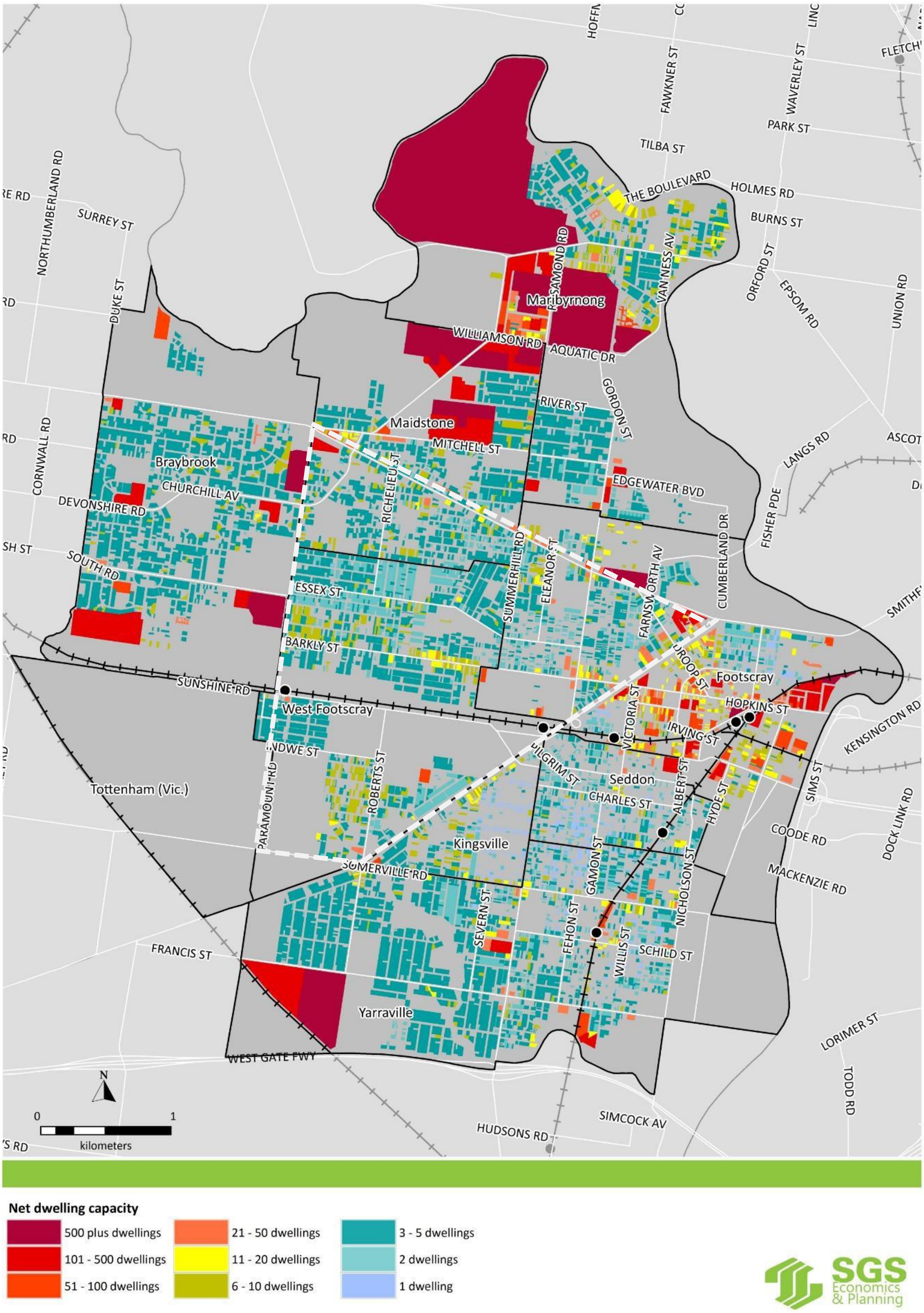
Ongoing work for Council by SGS Economics and Planning (2018) has identified, at least in a notional way, the capacity of Maribyrnong to accommodate new dwellings, as shown in Figure 18. Translated to a precinct basis, the assessment of supply identifies capacity for:

- 7,880 additional dwellings in West Footscray (cf demand for an extra 1,300 dwellings over the period 2016 to 2041)
- 19,340 additional dwellings in Footscray (cf demand for an extra 13,500 dwellings over the period 2016 to 2041)

This notional supply relies on the ongoing redevelopment of land to its carrying capacity under the existing and anticipated planning regime. However, there is often “inefficiency” in urban development; that is, residential development rarely achieves the theoretical maximum capacity for a wide variety of reasons, including the historic nature of existing subdivisions, the shape of land parcels, the need for roads and open space and the desire to achieve the design that will prove most attractive to purchasers. For this reason, the real capacity for new housing is likely to be somewhat lower. Redevelopment of larger, formerly non-residential sites is likely to play a more significant role in generating new dwellings than the slow and incremental densification of existing housing areas.

SGS has estimated that a majority - 53% - of the notional capacity for new housing in Maribyrnong is in areas designated for substantial change. These include activity centres, neighbourhood centres, urban development corridors and strategic development sites. However, these locations are likely to play a larger role in the overall municipal housing task than their notional capacity suggests, for the reasons outlined above.

Figure 18: Net housing capacity, Maribyrnong



Source: SGS, 2018

SGS anticipate that most of the new housing capacity will be in apartments and, to a lesser extent, townhouses/villas, with detached housing forming quite a small proportion of the total. The table below identifies the likely net capacity for different housing types by suburb.

Table 9: Net capacity for different housing types by suburb

Suburb	Detached dwellings	Townhouses/ villas	Apartments	Total	Detached dwellings	Townhouses/ villas	Apartments	Total
Braybrook	209	3,942	5,584	9,730	2%	41%	57%	100%
Footscray	479	1,612	17,250	19,340	2%	8%	89%	100%
Kingsville	138	427	683	1,250	11%	34%	55%	100%
Maidstone	0	3,203	9,727	12,930	0%	25%	75%	100%
Maribyrnong	2458	5,729	9,941	18,130	14%	32%	55%	100%
Seddon (Vic.)	321	535	959	1,820	18%	29%	53%	100%
West Footscray	0	3,678	4,206	7,880	0%	47%	53%	100%
Yarraville	891	5,202	5,794	11,890	7%	44%	49%	100%
Total	**4,500**	**24,330**	**54,140**	**82,970**	5.4%	29.3%	65.3%	100%

Source: SGS, 2018

The table shows that West Footscray and Footscray have little or no capacity to accommodate new detached dwellings but do have capacity for both townhouses/villas (especially West Footscray) and apartments (especially Footscray).

5.4 Housing Policy Framework

The draft Housing Strategy, 2018, being developed by Council has the following aims:

> *Housing growth and change will support the continued revitalisation of the municipality, while respecting the area's industrial legacy with contemporary and high quality design responses.*
>
> *The scale of growth that is anticipated means that a diversity of housing choices can be provided in appropriate locations, and this will respond to changing community needs. Housing growth, particularly in high growth locations, will be supported by access to employment, infrastructure and services*.
>
> '**Diversity'** includes a mix of dwelling types, sizes, tenures (including social housing).
>
> **'Appropriate locations'** means areas where people can easily walk or cycle to shops and other services, and access public transport
>
> (SGS, 2018)

It will be Council policy that the municipality accommodates growth and that higher growth will be targeted into areas that have appropriate infrastructure and good access to services and employment. A sieving process has identified and mapped these higher growth locations, as shown in Figure 19.

Figure 19: Draft Maribyrnong Housing Framework Plan

Source: SGS, 2018

NB: Land at 419 to 479 Barkly Street has wrongly been designated “Urban Corridors & Development Areas” on this map. This site has actually been designated as a “Strategic Redevelopment Site” in the draft Housing Strategy, 2018.

A draft version of the policies that should apply to the various higher growth locations shows the following:

Local Centres (such as Tottenham local centre in the study area)

- Medium density housing encouraged on upper floors
- Active frontages required at ground floor
- 2-3 storeys

Urban Corridors (such as Barkly Street, outside the neighbourhood centre boundaries)

- Medium density housing encouraged
- Limit commercial development
- 3-4 storeys depending on context

Neighbourhood centres (such as West Footscray/Barkly Village)

- Mixed use developments encouraged including housing on upper floors
- Active frontage required at ground floor
- Up to 4 storeys or as per structure plan

Strategic redevelopment sites (such as those on Cross Street)

- Framework plans required
- Maximise development opportunities
- Higher growth expected within 800m of fixed public transport

The draft Housing Framework Plan in Figure 19 shows where the redevelopment sites and areas of housing growth are located. Within the West Footscray study area, all the six key sites identified by Council are shown as being expected to accommodate substantial housing development:

- as part of the neighbourhood centre, or
- as strategic redevelopment sites (including the car yards on Barkly Street and the sites on Cross Street)

It should be noted that some of the strategic redevelopment sites identified in this plan have already been redeveloped. This includes sites on Robbs Road/Glamis Road and Roberts Street/Geelong Road within the study area.

6 DECISIONS ON KEY SITES

As property owners and development proponents come to Council with requests for rezonings and planning permits on key sites, Council decision-makers require a robust method for judging applications for change. This section provides a method based on existing Council policy and an understanding of economic drivers. The decision-framework is then applied to the six key sites identified by Council in the West Footscray study area. However, the framework should be capable of being applied to other potential development sites.

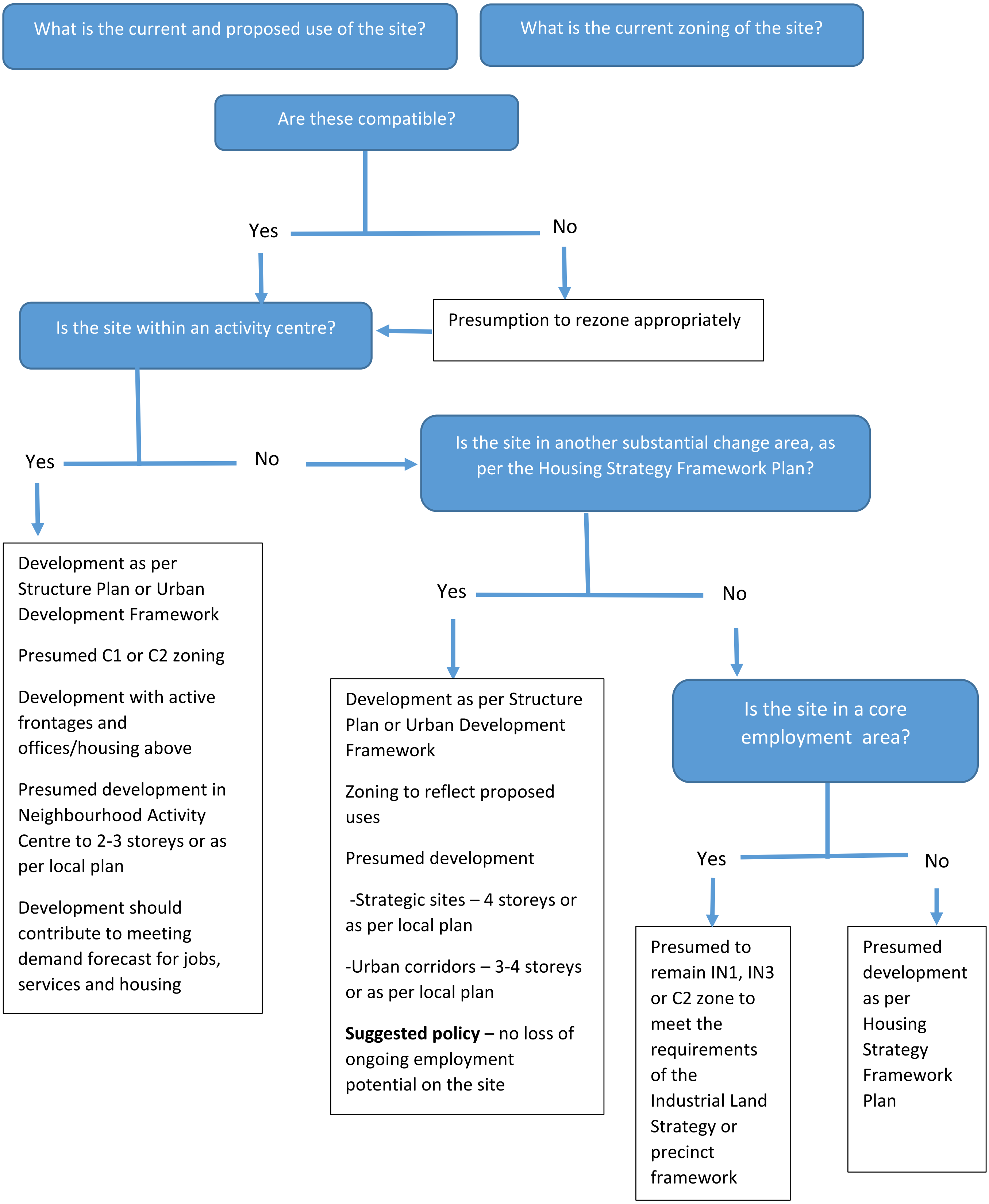
6.1 A Decision-Framework for Key Sites

The following decision tree should provide the policy framework for Council staff and Councillors to determine how particular sites should be treated and whether particular applications for change will meet policy requirements.

Beyond the existing policy frameworks, the following suggestion to improve employment outcomes is made here. In substantial change areas outside activity centres it is appropriate to retain opportunities for employment especially if land currently being used for employment activities is being redeveloped. This is on the basis that the growing local population will need more, not fewer, employment opportunities, and in contemporary settings in accessible locations. While there may be some isolated remnant industrial or commercial sites that could be better used solely for housing purposes, these should be exceptions to the general rule that employment opportunities will be preserved. Ideally, the overall opportunities for employment on a site should not be diminished in any redevelopment. This could be translated into a planning requirement that *the amount of employment floorspace should be equivalent to the amount of all proposed ground floor building floorspace (inclusive of car parking, other services and circulation space)*[12]*.* This prescription provides some design flexibility, allowing either ground floor development or separate employment buildings as part of a larger development.

The following sections apply this decision framework to the six key sites in West Footscray identified by Council. In the absence of a firm proposal for the sites, the assessment outlines the presumed development given existing policy and the local economic environment.

[12] This formulation is similar to that which a recent planning panel has recommended in the City of Moreland.


What is the current and proposed use of the site?
What is the current zoning of the site?
Are these compatible?
Yes
No
Presumption to rezone appropriately
Is the site within an activity centre?
Yes
No
Development as per Structure Plan or Urban Development Framework
Presumed C1 or C2 zoning
Development with active frontages and offices/housing above
Presumed development in Neighbourhood Activity Centre to 2-3 storeys or as per local plan
Development should contribute to meeting demand forecast for jobs, services and housing
Is the site in another substantial change area, as per the Housing Strategy Framework Plan?
Yes
No
Development as per Structure Plan or Urban Development Framework
Zoning to reflect proposed uses
Presumed development
-Strategic sites – 4 storeys or as per local plan
-Urban corridors – 3-4 storeys or as per local plan
Suggested policy – no loss of ongoing employment potential on the site
Is the site in a core employment area?
Yes
No
Presumed to remain IN1, IN3 or C2 zone to meet the requirements of the Industrial Land Strategy or precinct framework
Presumed development as per Housing Strategy Framework Plan

6.2 Site 1: 517 to 543 Barkly Street

Current use of the site	Church, Library and neighbourhood house, 14 dwellings, one office, one rooming house and one vacant land parcel
Proposed use of the site	Permit issued on vacant land parcel for a 4 storey building with 46 apartments and 2 retail spaces in 2016.
Current zoning	General Residential
Are uses and zoning compatible	Only in part
Is the site within an activity centre?	Yes
What uses does the activity centre plan recommend for the site?	The relevant policies in the West Footscray Neighbourhood Activity Centre Framework Plan (Maribyrnong Planning Scheme, 2016) include: • Consolidate and enhance the role of the centre by "strengthening street level activity particularly where residential buildings currently form sections of passive site frontages", and "encourage a mix of businesses so as to create an active streetscape both night and day" • "Encourage a built form along Barkly Street that is a consistent streetscape of two to three storeys with no front or side setbacks" and "ensure development along Barkly Street utilises a vertical mix of uses prioritising retail/office at ground level with residential above"
Are there economic demand drivers for the site?	This stretch of Barkly Street connects the main concentration of small shops in the neighbourhood centre to its principal attraction – the IGA supermarket. Commercial redevelopment here would improve the shopper experience and generate more pedestrian traffic for the specialty stores and the supermarket. There is forecast demand for retail and commercial floorspace in this centre of 2,200 sqm over the period to 2041. This site would make a significant contribution to satisfying the demand.
Implied zoning	Commercial 1
Outcome	Change to Commercial 1 Zone to allow 2-3 storey redevelopment with retail/commercial uses at ground floor and housing above. Ideally the rezoning should be undertaken in one Amendment to encourage improved linkages of the retail activities in the centre.

6.3 Site 2: 511 Barkly Street

Current use of the site	SIMS IGA Plus Liquor – mid-sized supermarket
Proposed use of the site	Retail
Current zoning	Commercial 2
Are uses and zoning compatible	Yes but not the most appropriate given that this is a retail anchor in an activity centre and should ideally be zoned Commercial 1
Is the site within an activity centre?	Yes

What uses does the activity centre plan recommend for the site?	The relevant policies in the West Footscray Neighbourhood Activity Centre Framework Plan (Maribyrnong Planning Scheme, 2016) include: • Consolidate and enhance the role of the centre by "strengthening street level activity particularly where residential buildings currently form sections of passive site frontages", and "encourage a mix of businesses so as to create an active streetscape both night and day" • "Encourage a built form along Barkly Street that is a consistent streetscape of two to three storeys with no front or side setbacks" and "ensure development along Barkly Street utilises a vertical mix of uses prioritising retail/office at ground level with residential above" • Enhance the public realm by providing canopies over the footpath and upgrading the appearance of commercial buildings
Are there economic demand drivers for the site?	This site contains the key retail anchor for the activity centre – the supermarket – which is the principal source of fresh food and groceries for the neighbourhood. It will become more important as the local population grows and may experience some pressure to grow.
Implied zoning	Commercial 1
Outcome	Change to Commercial 1 Zone to allow 2-3 storey redevelopment with retail/commercial uses at ground floor and housing above. This could be done as part of the Amendment for Site 3 (car park); however, the use of the site as a supermarket is most important for the centre and nothing should be done to jeopardise this activity unless an alternative is in place.

6.4 Site 3: 496 to 514 Barkly Street

Current use of the site	Car park for the IGA supermarket, 8 dwellings (one with a retail use) and small hardware store (glass and mirrors)
Proposed use of the site	None proposed
Current zoning	General Residential 1
Are uses and zoning compatible	The zoning is appropriate for the housing but not the car-park or commercial building
Is the site within an activity centre?	Yes
What uses does the activity centre plan recommend for the site?	The relevant policies in the West Footscray Neighbourhood Activity Centre Framework Plan (Maribyrnong Planning Scheme, 2016) include: • Consolidate and enhance the role of the centre by "strengthening street level activity particularly where residential buildings currently form sections of passive site frontages", and "encourage a mix of businesses so as to create an active streetscape both night and day"

	• "Encourage a built form along Barkly Street that is a consistent streetscape of two to three storeys with no front or side setbacks" and "ensure development along Barkly Street utilises a vertical mix of uses prioritising retail/office at ground level with residential above" • Enhance the public realm by providing canopies over the footpath and upgrading the appearance of commercial buildings
Are there economic demand drivers for the site?	The car park is a crucial adjunct to the IGA supermarket and is leased by the supermarket operators. Part of the car park is in Mixed Use Zoning but most is in the General Residential Zone. It may be that not all the car park is required for the IGA (or not all the time) and there may be potential for some temporary uses such as market days, pop-up activities and food vans.
Implied zoning	Commercial 1
Outcome	The car park should be zoned appropriately to allow temporary commercial uses while still functioning as a car park. This implies a zoning of C1 or C2 (to prevent pressure for housing redevelopment). The remainder of the strip is peripheral to the activity centre. It could remain within the centre until such time as a development proposal is received or rezoned at some later stage.

6.5 Site 4: 419 to 479 Barkly Street

Current use of the site	Mainly car sales outlets and service industries - Alan Mance Motors (Suzuki, Mitsubishi, Holden and Citroen), UltraTune, Beaurepairs, Deluxe Dry Cleaning, Footscray Engine Reconditioning
Proposed use of the site	No current proposals
Current zoning	Commercial 2
Are uses and zoning compatible	Yes
Is the site within an activity centre?	No (but adjoins the West Footscray Neighbourhood Centre)
Is the site within another "substantial change" area as described by the Housing Strategy	Yes – the site has been declared a Strategic Redevelopment Site
What uses does the Housing Strategy or other local plan recommend for the site	The Housing Strategy contains the following recommendations for Strategic Redevelopment sites. It is policy to: • Prepare detailed framework plans for each location to identify the appropriate mix of uses and scale of

	development Detailed framework planning should: • Identify built form outcomes that respond appropriately to the allotment size and surrounding context • Identify locations within 800m of fixed line public transport for higher density • Maximise development opportunities to avoid under development • provide an appropriate transition in height and built form to adjoining properties A detailed framework plan has not yet been prepared for this site by Council or by its owners. This site is within 800m of the West Footscray train station and a higher density development could be expected.
Are there economic demand drivers for the site?	The land is currently fully occupied and the activities provide valuable services and employment. Over time, the car sales and servicing activities are likely to experience significant change in the way business is conducted, including growth of internet sales; electric, self-driving cars; and centralised leasing and servicing. This will affect the location of auto activities. Already, there are pressures to relocate car storage to less expensive real estate in industrial areas. Whilst housing will be the predominant alternative use, the Barkly Street corridor is prospective for flexible employment spaces including showrooms and offices servicing the surrounding neighbourhoods and the Footscray CAD.
Implied zoning	Mixed Use
Outcome	A corridor plan for Barkly Street that outlines urban design and use expectations would be appropriate. Redevelopment in the short term may be premature given the existing uses. A Mixed Use Zone could be appropriate, with conditions that encourage ground floor employment uses such that the amount of employment floorspace should be equivalent to the amount of all proposed ground floor building floorspace (inclusive of car parking, other services and circulation space).

6.6 Site 5: 8 Cross Street

Current use of the site	Central Australian College – private training facility
Proposed use of the site	No current proposal
Current zoning	Commercial 2
Are uses and zoning compatible	Yes

Is the site within an activity centre?	No
Is the site within another "substantial change" area as described by the Housing Strategy	Yes – the site has been declared a Strategic Redevelopment Site
What uses does the Housing Strategy or other local plan recommend for the site	The Housing Strategy contains the following recommendations for Strategic Redevelopment sites. It is policy to: • Prepare detailed framework plans for each location to identify the appropriate mix of uses and scale of development Detailed framework planning should: • Identify built form outcomes that respond appropriately to the allotment size and surrounding context • Identify locations within 800m of fixed line public transport for higher density • Maximise development opportunities to avoid under development • provide an appropriate transition in height and built form to adjoining properties A detailed framework plan has not yet been prepared for this site by Council or by its owner. This site is very close to the West Footscray train station and a higher density development could be expected.
Are there economic demand drivers for the site?	The site is the location of a successful training agency which operates automotive and business management courses. There is an automotive workshop on the ground floor and offices at ground and first floor. The owner is keen to retain the training function at the site. The location of this site close to the expanded West Footscray station suggests potential for limited ground floor retail development to serve commuters – newsagents, café, dry cleaning etc. There could be the potential for a local activity centre to serve commuters and surrounding residents, also using the ground floor of any redevelopment of 4-6 Cross Street. Any such centre should be limited to perhaps 500 sqm of retail floorspace in the framework plan in order to prevent unacceptable impacts on the West Footscray Neighbourhood Centre.
Implied zoning	Mixed Use or Residential Growth Zone
Outcome	Redevelopment of site for a mixed-use tower according to a framework plan. Non-housing uses could include retention of the training facility over ground and first floors or development of retail spaces on the ground floor.

6.7 Site 6: 4-6 Cross Street

Current use of the site	Potters House church and unknown light industrial use
Proposed use of the site	4 Cross St – current permit for 3-4 storey housing development with 17 units 6 Cross St - Application for 7 storey housing tower rejected by Council and currently before VCAT. Proposal for 86 units and ground floor café
Current zoning	General Residential
Are uses and zoning compatible	No
Is the site within an activity centre?	No
Is the site within another “substantial change” area as described by the Housing Strategy	Yes – the site has been declared a Strategic Redevelopment Site
What uses does the Housing Strategy or other local plan recommend for the site	The Housing Strategy contains the following recommendations for Strategic Redevelopment sites. It is policy to: • Prepare detailed framework plans for each location to identify the appropriate mix of uses and scale of development Detailed framework planning should: • Identify built form outcomes that respond appropriately to the allotment size and surrounding context • Identify locations within 800m of fixed line public transport for higher density • Maximise development opportunities to avoid under development • provide an appropriate transition in height and built form to adjoining properties Development applications for high and medium density housing have been prepared for the site. This site is very close to the West Footscray train station and a higher density development could be expected.
Are there economic demand drivers for the site?	The location of this site close to the expanded West Footscray station suggests potential for limited ground floor retail development to serve commuters – newsagents, café, dry cleaning etc. There could be the potential for a local activity centre to serve commuters and surrounding residents, also using the ground floor of any redevelopment of 8 Cross Street if the training facility relocates. Any such centre should be limited in the framework plan for the site to perhaps 500 sqm of retail floorspace in order to prevent

	unacceptable impacts on the West Footscray Neighbourhood Centre.
Implied zoning	Mixed Use or Residential Growth Zone
Outcome	Redevelopment of 6 Cross Street for a mixed-use tower according to a framework plan. Rezone to Residential Growth Zone or Mixed Use Zone.

7 RESIDENTIAL-INDUSTRIAL INTERFACES

7.1 The Issue

The industrial precincts in West Footscray are set amongst residential precincts. The zoning of the industrial precincts has been adjusted such that the interfaces with residential areas are zoned IN3, intended for light industrial purposes with few off-site effects. Nevertheless, the scale and appearance of the nearby industrial buildings and the industrial traffic reduces the amenity of adjacent residents.

This is clearly not a new issue since the housing and industrial activities have been neighbours for many decades. However, increasing gentrification of the area means that more and more residents have no history of working in industrial precincts and find the neighbouring uses unfamiliar and unattractive. In some cases, the houses in the area provide family dwellings on lots that are slightly larger than can be found elsewhere in West Footscray which makes them attractive to working families.

The situation is made more difficult by the isolated nature of the residential areas and the apparent lack of local services. In particular, there is no significant food and grocery shopping within a reasonable walking distance and without having to cross the railway line or the major barrier of the Princes Highway (Geelong Road).

There is one local activity centre within the area on Sunshine Road close to Tottenham Train Station. This centre has a variety of activities with a total floor area of approximately 1,300 sqm (including some activities outside the study area, west of Dempster Street on Sunshine Road). However, the centre has little in the way of genuine local services, with no fresh food or take-away food for example. In the main the activities are pitched at passing traffic and at the industrial areas. The Planning Scheme notes that this is one of the declining local centres in the municipality.

Other retail activities in the area include the major Bunnings store on Geelong Road, but this clearly caters for a large sub-regional catchment.

The concern of local residents has manifested in objections to proposed developments on industrial land, including the proposed development of office/warehousing on Cala Street. This is a difficult situation for future development in what has been designated a Core Employment Area and part of the State Government's Western State Significant Industrial Precinct.

7.2 Potential Solutions

There are several approaches that may be taken to improve the amenity of residents in this area whilst retaining the Core Employment Precincts.

1. Ensure that the interfaces between housing and new developments in the industrial areas are as attractive as possible:
   - Ensuring appropriate setbacks from housing
   - Avoiding light spill and noise impacts
   - Introducing attractive green buffers between housing and industrial activities

   Council may wish to set the standard for attractive interfaces through redesign and investment in the interface of the Council depot and adjacent housing.

2. Encourage the development of smaller scale workplaces that are more familiar or attractive to local residents. This could include office-warehouses and bulky goods retailing, for example. Adaptive reuse of the heritage warehouses on Sunshine Road for business incubators, arts or recreation uses, small food producers (breweries, bakeries, coffee roasters etc) or office suites could also provide local interest. Residents are more likely to support activities that they can relate to, either because they could see themselves working there or using the services provided.

   To some extent, this kind of smaller scale activity is already encouraged by the framework plan for the West Footscray industrial precinct (Tract, 2014).

3. Encourage new developments to provide service nodes that can be used by residents. Significant development sites could have space to accommodate a new local service node – a local activity centre that could provide services to both residents and workers. Such a centre could include a small grocery outlet as well as cafés and other services.

   A local centre on the corner of Ormond Road and Geelong Road within the study area appears to have disappeared in recent years. Any new centre would need to be supported by the local resident market and local workers. Ideally it would have other attractions to bring customers such as a location close to a park or child-care or other service.

   It may be possible to encourage the reopening of local grocery stores if there is sufficient community support. This could take the form of grants to social enterprises or community cooperatives, or a marketing campaign to potential tenants, for example. However, the property owner would also need to be persuaded that this was viable. In this instance, incorporating a grocery store as part of a new development is likely to be an easier way of achieving local services.

4. Provide improved services within existing Council assets. The area does have a range of attractive open spaces, including Hansen Reserve and the Stony Creek Linear Reserve. It may be possible to introduce new services into these parks such as kiosks or even simply mobile coffee carts, that could provide meeting and focal points and deliver local services. There may also be potential for farmers markets or other occasional fairs and festivals that would bring local residents together.

5. Encourage revitalisation of the Tottenham local activity centre. The centre does have the disadvantage of being located on a busy main road with no on-street parking. There may be potential, perhaps as part of some larger redevelopment, to encourage provision of a local grocery outlet and café. This would probably need to include further off-street parking. Nevertheless, such a development would only serve the closest residential pocket – about one third of the total West Footscray residential precinct south of the railway line.

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